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Government Aids to Foreign Trade

[Vigorously and Steadily, the U. S. Government Has Striven Since the Earliest Days to Stimulate Our World Commerce—Past Efforts and Future Plans are Herein Broadly Outlined]

By H. B. McCoy, *Chief, Division of Industrial Economy, Bureau of Foreign and Domestic Commerce*

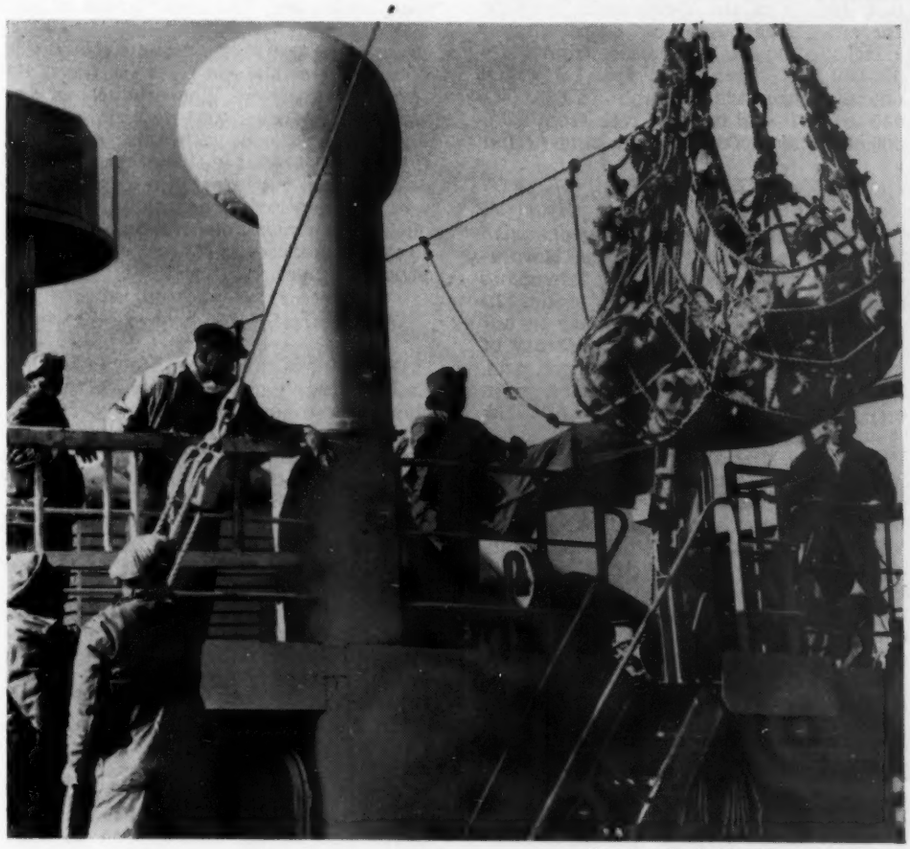
THE FIRST ARTICLE of the Constitution of the United States empowers Congress "to regulate commerce with foreign nations and between the several States." Since Congress has the exclusive power to regulate commerce with foreign nations, State and local governments are prohibited from taking any measures to regulate or control foreign trade originating in and passing through local areas. Many local governments have provided facilities such as ports, warehouses, and docks for utilization in the foreign commerce of their areas, but all of the broad major governmental aid to foreign trade has originated in Federal action. I shall speak about Federal aid to foreign trade, but with the acknowledgment that State and local governments have been very helpful to foreign trade in their areas.

Many Promotive Measures

Not so very long ago it seemed fashionable to regard foreign trade as of little importance in our national life. It was said that this country was, with a few minor exceptions, self-sufficient. A contrast was made with England, which depends so largely upon foreign trade, the British slogan being "England must export or die." Although the opinion probably was pretty widely held at one time that our export and import trade was not of major consequence to our national welfare and did not figure largely in national policy, a review of the record shows that the United States has enacted a great deal of legislation to promote foreign trade, and has negotiated numerous treaties and agreements in the interest of our commercial relations with foreign countries.

It is likely that the average citizen is not aware of the measures taken by the Government to implement interchange of commerce with foreign nations, because such transactions, with some exceptions, have received little public attention. A review of our legislation and economic relations with foreign countries reveals that our Government has consistently, ever since the founding of the Republic, endeavored to lend constructive help to the expansion of our commerce with nations of the world.

In 1766 Benjamin Franklin told the British House of Commons that the colonies preferred to buy from England, rather than manufacture at home, but they could and would manufacture in the colonies if they found it more expedient to do so. One of the first acts of the Continental Congress was to create the Continental Association in October 1774, which prohibited imports of certain goods from Great Britain and its colonies, not so much in an effort to destroy foreign trade, but as an attempt to break monopolistic control of trade then



Courtesy U. S. Maritime Commission

Lively and continuous is the interest displayed by the Government and people of the United States in the international movement of countless varied commodities.

NOTE.—This article reproduces (with very slight modifications) Mr. McCoy's recent address at New Orleans, La., before a meeting sponsored by the Southern States Industrial Council.

Throughout the life of this Nation, but more particularly in recent years, the Government has helped American businessmen to acquire a practical and profitable knowledge of world markets.

enjoyed by European countries. This was the first national legislation affecting foreign commerce.

Ratification of the Constitution in 1788 had important implications for foreign commerce. The Federal Government acquired sovereign authority to impose and collect duties and to regulate commerce with foreign nations and between the States. For the first time, unified tariff schedules and commercial regulations applied to all States, and trade benefited through elimination of a multiplicity of local colonial controls. The last decade of the eighteenth century, therefore, was one of extraordinary growth. Exports increased from $20,000,000 in 1790, the first year for which official figures are available, to $93,000,000 in 1801, and imports rose from $23,000,000 to $111,000,000 in the same period.

Early Efforts Typical

Even before the treaty of peace with England was signed after the Revolution, this nation was seeking friendship and freedom in international trade. In 1778 the first commercial treaty in our history was signed. It was a treaty of amity and commerce with France, and, like the treaties which followed with other countries throughout the world, it was based on reciprocal treatment. We offered special advantages in commerce to the country in exchange for similar advantages, thus securing the lowest tariff rates and rights and privileges for our nationals to operate in foreign countries. At the time of Pearl Harbor the United States was a party to 32 treaties of friendship and commerce, 6 of which have been continuously in effect for over a century.

About 1790 our infant Government adopted a policy of encouragement and assistance to exporters to the Far East and set forth a basis for our Merchant Marine. The first United States ship to seek trade in China had sailed in 1784, but it was a great many years later before we were able to arrange treaties of commerce with the nations of the Orient.

During the period from 1789 to about 1815 a protectionist policy was taking shape which materialized in subsequent years into a sort of triumph for protectionism. For about 30 years subsequent to 1830 protection through tariff was under severe attack and duties were lowered. During and after the Civil War there was again a tendency to increase tariff rates under the inspiration of increasing industrialization of the country.

Our tariff policies over these and following years were not, of course, designed to promote and expand our foreign trade, but at the same time we were negotiating commercial treaties with foreign countries. As great areas of our country were settled and developed, the products of our farms became the source of raw materials and food for the older foreign countries. The products of our growing factories and industries were largely consumed within our borders. It was natural that in this process of self-development our interest in foreign trade was confined rather narrowly to foreign outlets for exportable raw materials and to other countries as sources of goods not produced here.

Midcentury Progress

Discovery of gold in California in 1848 and in other parts of the world shortly thereafter inaugurated a new period of world trade. United States exports jumped from $144,000,000 in 1850 to $334,000,000 in 1860, and imports increased from $174,000,000 to $354,000,000 during the same decade. The swing toward free trade, as evidenced by repeal of the Corn Laws in Great Britain and tariff reductions in the United States, also acted as a stimulus to commerce. The United Kingdom and northern Europe remained America's best customers, although trade with the Orient expanded.

In the Constitutional Convention a proposal was made to create a department of the new Government headed by a "Secretary of Commerce and Finance." The record of events from the close of the Revolution to the Convention in 1787 shows that the desire to foster the commerce and trade of the States was the paramount argument which made the union possible. Although numerous proposals were made to the Congress, beginning as early as 1815, for a separate Department of the Government to represent manufacturing and trade, legislation creating such a Department was not enacted until 1903. The new Department of Commerce and Labor was charged with the responsibility "to foster, promote and develop the foreign and domestic commerce, the mining, manufacturing, shipping and fishery industries, the labor interests, and the transportation facilities of the United States."

New Department Tackled Job

With the creation of the new Department of Commerce and Labor, recognition was given to the need for the Federal Government to acquire more comprehensive information on production and employment in our rapidly developing industrial and commercial structure, as a basis for national policy, and to promote the welfare of industry and labor.

The new Department was a relatively small organization during the first years after its creation, but it made progress in carrying out its functions.

In recognition of the need for separate Departments, each to be devoted exclusively to business and labor, Congress in 1912 enacted legislation establishing a Department of Commerce and a Department of Labor. To the Department of Commerce were transferred the functions of the predecessor organization concerned with industry and commerce; in addition, the Secretary of Commerce was given broad functions in promoting, fostering, and developing the domestic and foreign commerce of the United States. Within the Department, Congress established the Bureau of Foreign and Domestic Commerce, which, by delegation from the Secretary of Commerce, and supplemented by specific legislation, has in practice acquired the major responsibility in the Department for the promotion of domestic and foreign commerce.

Vigorous Activity Initiated

Although, as has been noted, prior to 1912 there were numerous measures taken by the Government to facilitate foreign commerce, it was not until the Bureau of Foreign and Domestic Commerce was created that active promotion of foreign trade was inaugurated. From its inception, the Bureau of Foreign and Domestic Commerce gave special emphasis to foreign trade, although its functions covered both domestic and foreign commerce. Soon after its organization, the Bureau sent Special Agents abroad to make market investigations for American products, which supplemented the commercial reporting of the United States Consular Offices.

Although the outbreak of war in Europe in 1914 disrupted international trade in that area, the Bureau continued its foreign-trade activities. In 1915 and 1916 Commercial Attachés were sent abroad by the Department of Commerce and became the first members of United States Embassy staffs abroad to devote full time to the promotion of our foreign

trade. In 1917, the Bureau of Foreign and Domestic Commerce then, as now, devoted its facilities to the prosecution of the war.

Steady Strengthening

The Bureau of Foreign and Domestic Commerce was reorganized in 1921 and greatly strengthened in subsequent years. Some additional aids to foreign trade were established shortly after the end of World War I. In 1918, Congress enacted the Webb-Pomerene Law which gave certain exemptions to exporters who wished to undertake joint actions under a Federal charter, to meet the competition of foreign cartels and combines and export groups in international trade. In 1919 the War Finance Corporation was given authority to furnish credits "in order to promote commerce with foreign nations". At the outbreak of war in 1914, the United States lacked ocean shipping. In 1916 Congress created the Shipping Board to construct and operate a large fleet of merchant vessels. Postwar adjustments made necessary the passage of the Merchant Marine Act of 1920, which was designed to establish future policy with reference to the maintenance of an adequate United States owned and operated merchant marine for security and commercial purposes. In 1922 the China Trade Act became a law, which gave protection and certain tax exemptions to firms organized for trading in and with China.

Came the Depression

After the temporary spurt in exports after World War I, and the business recession of 1921, our foreign trade was on a steady upward trend until the depression of the thirties. During this period of expansion of exports and imports, there was no further legislation—none was needed—to promote foreign commerce. The Department of Commerce had established its Foreign Commerce Service, with Commercial Attachés and Trade Commissioners actively promoting foreign trade, operating with United States Embassies and Legations in all important world commercial areas. In 1929, however, because of declining agricultural prices, the Federal Farm Board was set up to support prices by Government purchasing. The Board endeavored to market surplus agricultural products in foreign countries.

The world-wide depression beginning in 1930 naturally dealt a terrific blow to our foreign commerce. As a part of a general program to cope with the economic crisis at that time, Governmental measures to aid foreign trade, beginning in 1933, and continuing to the present, have been more fundamental and comprehensive in character, and more effective in operation than in any similar period in our history. This period represents the turning point in our national attitude toward the importance of foreign trade to our economy and the contribution we can make to world security and economic stability by healthy, balanced, and expanding commercial relations with other countries.

The Emergency Stabilization Act in 1933 was helpful to our foreign commerce through depreciation of currencies.

Enter the Export-Import Bank

In 1934 the Export-Import Bank was organized. The initial purpose was to extend credit to Soviet Russia, but this never materialized. Later the Bank's authority was increased to finance transactions with all countries. Most of the first loans were made to finance exports and imports by granting more favorable terms and conditions than could be obtained, if at all, from private sources. Since surplus agricultural commodities were a source of concern at that time, the facilities of the Bank were used to market these products abroad. Tobacco and cotton export sales were financed.

The Bank assisted in a variety of other commercial operations. A loan to Brazil was made to release blocked accounts for United States exporters, which had occurred because of exchange problems. Credit was also extended to facilitate trade with China, and other credits were provided to countries for major economic development projects. With subsequent amendments to its charter, the Bank's authority to widen the scope of operations has been extended. A much wider field of assistance to countries of the Western Hemisphere was granted by Congress. As an example, credits and equipment have been extended to Brazil for development projects, including the Itabira iron mines, and to Cuba for highways, irrigation, and communications. It has been proposed that the lending power of the Bank be substantially increased to broaden its functions and scope after the war. The Export-Import Bank will have an important role in our program of collaboration with foreign countries in economic rehabilitation, as well as being an effective instrument for promoting the sale of United States products abroad.

Trade-Agreements Program

In the same year that the Export-Import Bank was created, the Reciprocal Trade Agreement program, based upon the Trade Agreements Act of June 12, 1934, was instituted. The Act has been several times extended by Congress for additional 3-year periods and is now being considered for further extension.

The primary purpose of the trade-agreements program is to increase foreign markets for products of the United States. This purpose is sought through reciprocal adjustment of excessive trade barriers. The general objectives of the program are to substitute economic cooperation for economic warfare in our relations with other countries; to give economic substance to our good-neighbor policy; and to create the kind of international economic relations upon which a structure of durable peace can be erected.

Trade between nations declined sharply after 1929, largely because most nations, the United States included, set up excessive barriers against imports. This, of course, made it difficult and in many cases impossible for producers in these countries to sell their exportable surpluses in other countries. Foreign trade is necessarily *two-way* trade. We cannot export unless we import—we cannot import unless we export.

The value of foreign trade of the United States fell even more rapidly than that of the world as a whole, the drop from 1929 to 1932 amounting to nearly 70 percent—from more than $9,500,000,000 to $2,900,000,000. During the same period, national income dropped 43 percent; cash farm income, 58 percent; and wages and salaries in manufacturing industries, 53 percent.

Practicable Method

The trade-agreements program works by direct negotiation with other coun-

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Specific governmental helpfulness is strikingly exemplified in the expert advice and concrete foreign-trade aids obtainable at the Field Offices of the U. S. Department of Commerce.

Britain's Handcrafts—TODAY and Tomorrow

By VIRGINIA KINNARD, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

TOTAL WAR could not be waged without the mass production and speed of modern industry, but World War II has also been responsible in England for a great revival of interest in crafts. Not for at least 50 years have British craftsmen been so busy. The rapid advancement of machine production caused crafts to shrink in importance, but they have been revived to do their share in a war that has demanded effective use of every asset and every useful talent.

Early History

The history of crafts in England goes back 2,000 years; crafts, in fact, were Britain's first industry. During the Middle Ages, the products of English villages were being exported to far distant lands. British artisans, too, traveled great distances to teach their skills to others in newly discovered countries.

In the early days, many of the activities of every English village were dependent upon the products of the craftsmen. Likewise, the craftsmen depended greatly upon one another.

The hammer from the blacksmith's forge was used by the wheelwright, and the roof-thatcher climbed a ladder made by a woodworker, who in turn received tools from an edge-tool maker who produced his implements with a hand-operated drop hammer. Trees felled by the woodsman were sent to the charcoal burner to make fuel for the iron smelters. They in turn used charcoal to make metals which the blacksmith forged into farm implements. Thus the circle continued.

The number of crafts ran into the scores. Manual workers—blacksmiths, wheelwrights, saddlers, tanners, rake makers—served the farmer. General craftsmen, such as thatchers, brickmakers, potters, basket makers, coopers, rope makers, and carpenters, worked for the whole village. Then there were more specialized workers—boatbuilders, and the coastal and river craftsmen, who made nets, sails, and fish traps. Wooden household utensils were fashioned by cottagers, an ancient craft known as "treen," which still survives. Cottage workers also made beehives in spare moments. Women spun, wove cloth, made linens, lace, and quilts.

With the coming of the machine age, factory methods replaced hand work to a great extent, and many of the old crafts declined and some almost vanished. Now, however, since attention is again being paid to hand production and many of the once-familiar skills are flourishing, sufficient workers are not available. Men of 80 and even 90 years of age have returned to their trades and are teaching their crafts to younger men. A library service furnishes books for study and improvement in the various skills, and workers are also being instructed in business methods. Some of the crafts are being modernized in part. New methods are often employed. and in some cases shops have been equipped with light machine tools.

NOTE

The Honorable Henry A. Wallace, Secretary of Commerce, opened an exhibition of British handicrafts in Washington on May 10 at the National Museum. This exhibition has been touring the United States and has been seen in a number of cities.

Slipware dish, and jugs based on traditional shapes—from the Exhibition of British Arts and Crafts.

Hand Weaving

Spinning and weaving, among the oldest of the crafts, are rapidly coming to the fore. Old spinning wheels have been claimed from the antique dealers or brought down from the attics, and are now in regular use. Not for more than 100 years have there been so many hand weavers in Britain.

Net making in England, before the establishment of the large netting factories of the present day, was entirely a cottage industry and the technique of hand braiding was handed down from generation to generation. Before the war, it was estimated that some 1,600 home workers were employed in the industry, doing hand braiding entirely. The production of nets and netting by factories has been strictly controlled in the United Kingdom since the beginning of the war, plants being engaged in turning out camouflage nets and other materials for the armed forces. Nonessential products, such as sports netting, are no longer made by factories, so the fishnet makers have stepped in to supply this need and thousands of hand-woven nets are now in use by British fishermen.

Many Handcrafts Revived

In the border region between Surrey and Sussex, a special walking stick is being made by craftsmen who are the

only ones of their kind in the world. Thousands of these sticks have been sent to Australia for use by wounded men.

A maker of cricket bats in Surrey grows the willow trees from which he shapes his essentially British product. With an eye to the future, he plants two trees in place of every one he cuts down. Before the war his bats were shipped to Australia and the West Indies for use in cricket matches; now they are sent to England's soldiers everywhere.

The food-growing program has resulted in a boom in baskets. Basket makers have found the needs of farmers alone so great that they are training women to help meet the heavy demand for their product. Hand potters, too, have performed a service in helping to increase food production. Food growers who use flowerpots in starting young plants prefer those made by hand, since they are more porous than the machine product. Some potters are still working with clay from the deposits used by the Romans.

The hand-hewn, five-barred gates found so frequently in southern England have been made for hundreds of years by craftsmen who have combined beauty and utility in their work. Gate makers are finding plenty to do, since all-out food production is restoring farm life to its deserved importance, and repairs long overdue are being made to gates and fences.

Tanners are producing leather for the armed forces, and rake and ladder makers, thatchers, carpenters, and saddlers are all busily engaged. Because many people have turned to beekeeping since the war to provide honey to supplement that all-too-small allowance of jam, the craftsman who has specialized in making straw beehives finds his product once again in demand. In some counties in the south of England, workers in the woods still make hurdles and feeding cages as they did 2,000 years ago.

A rake-making business in Hampshire has been handed down from father to son for five generations. The wood usually is bought in the stand, then cut and transported to the workroom. Longer sticks are selected for handles, which are steamed and straightened. Then the rake head is split and chopped into shape and holes made for the handle and the rake teeth. These same craftsmen are also expert at making scythe handles. Although the implements made in this country workshop originated in another period, demand for them today is greater than the makers can meet.

Craftsmen Encouraged

Efforts are being made to continue in the peacetime years the stimulus given to crafts during the war period. Plans are now being made for craftsmen to have a part in postwar village life and to train men returning from service. Adaptability is the asset upon which these artisans are basing their hope for the continuance of their work in a peaceful world. Probably the smithy will shoe only a few horses, but he could service many tractors and farm implements and perhaps even operate a gasoline station (he would call it petrol). Some smiths already have modernized their shops, and their forges are often operated electrically instead of by bellows.

Typical British wheelwright.

Since the horse is no longer indispensable on the farm and the demand for wagons has lessened, the wheelwright is being prepared for future tasks. In improved workshops he is now trained to make gates, fencing, coach bodies, ladders, poultry houses, sheds, beehives, and other equipment needed by the farmer. He also is learning to make woodwork to be used in postwar housing projects. However, the improvement of horse-drawn implements has been suggested as one way of retaining a place for the horse in agriculture. A recent competition sponsored in England called for ideas for new machinery to be used with horses and for more modern horse-drawn implements to replace the old-fashioned type or those uneconomical of horsepower.

Repair shops, too, offer possibilities for craftsmen. Considerable work of this type has, of course, long been done by them, but additional lines could be added. Britain's fifth census of production in 1935 (the last taken) shows that 48.4 percent of all repair work was done by shops or firms employing fewer than 10 persons.

Production Standards

Craftsmen whose work has artistic value—weavers, potters, cabinetmakers, blacksmiths, metalworkers—often have been responsible for improving the quality of machine production by designing and making models for machine manufacture. The trend in this direction probably will take the form in the postwar years of a gradual fusing of old handcraft traditions with machine methods, a combination that will raise production standards in many lines.

Even in those industries engaged in mass production, the craftsman can serve as a guiding influence. Glassmakers, silversmiths, spinners and weavers, potters, and cabinetmakers will work with the machine instead of looking upon it only as an enemy. They will design, and make by hand, models for machines to copy.

English silversmiths have long enjoyed a reputation for fine work, a reputation established during the reign of George III attributed in large part to their intimate knowledge of the metal with which they worked. They knew what they could and could not do with it, and their designs reflected this familiarity with their medium. In more recent years designs have been created largely

(Continued on p. 45)

Cuba's Economy in 1944

[With the Big Island Republic We Usually Have More Trade Than With Any Other Latin American Country: This Article Pictures Business Events and Trends]

Based on a Report from the U. S. Embassy, Habana

THE FAVORABLE economic conditions prevailing in Cuba during 1943 continued through 1944,[1] despite drought in both early and late portions of the year and a violent hurricane on October 18, which devastated large sections of the western end of the island. The cyclone struck 8 days after the inauguration of President Ramón Grau San Martin, who was elected for a 4-year term on June 1, to replace General Fulgencio Batista y Zaldivar who had held the office since 1940.

Commerce, industry, and agriculture on the whole enjoyed a prosperous year. Foreign trade was valued at $635,707,000, about 20 percent above the 1943 level. The sugar crop was the third largest in the history of the Republic, and tobacco exports reached an all-time high in value. Domestic food production in 1944 declined somewhat from the 1943 levels, because of the drought, concentration on more lucrative crops, and shortages of materials, but it still exceeded prewar quantities. Mining activity continued through the year at approximately the 1943 level. The manufacturing industry, despite some shortages of raw materials, passed through a satisfactory year, the most notable development being the continued expansion of the alcohol-distilling industry. Construction activity was also maintained at a high level.

Wages in almost all lines of economic endeavour were increased during 1944 and, in conjunction with shortages of foods and other consumer goods, exerted considerable influence on the inflationary trend which continued through 1944. The cost of living during the year rose by approximately 20 percent. Although food prices declined somewhat from October through December, inflation still remained a potentially serious threat to the economic stability of the country.

The 1944 retail trade was the highest on record, partially because of higher prices. The accelerated business tempo was further reflected in increased Government receipts and Habana bank clearings, both of which were the highest in the history of the island. Bank deposits on December 31, 1944, were about three times as great as on December 31, 1939. The Cuban stock market maintained bullish tendencies throughout the year, because of the increased funds available for investment.

[1] A more detailed report on Cuba's economy during 1944 is now being prepared for publication in the International Reference Service of the Bureau of Foreign and Domestic Commerce.

Courtesy Pan American Union

Air view of entrance to Habana harbor.

Sugar

The 1944 sugar crop amounted to 5,646,337 short tons, about 16 percent of which was exported to the United States in the form of invert molasses. This was the third successive crop sold to the United States at a contract price of 2.65 cents per pound, f. o. b. Cuban port. The total income from the sale of the sugar and molasses crops amounted to about $317,000,000, exclusive of returns from sales of alcohol and increased quantities of refined sugar. Sugar shipments were the largest on record, and by the end of the year about 800,000 tons remained in Cuba. Exports of sugar and other cane products were valued at $296,750,000. The 1945 crop is expected to be considerably less than the 1944 crop, and has been sold to the United States at a price of 3.10 cents per pound.

Tobacco

All branches of the Cuban tobacco industry benefited from one of the most prosperous years on record. The crop of 65,700,000 pounds was the largest since 1931. The value of tobacco exports reached an all-time high of $51,700,000 as compared with $28,000,000 in 1943. The volume of exports of unmanufactured tobacco declined from the 1943 level, but the value was 50 percent above the 1943 figure. The volume of cigars exported increased from 65,900,000 in 1943 to 181,300,000, nearly one-half going to the armed forces of the United States. Prospects are that 1945 will be another excellent year, although some decline in cigar exports may be expected.

Fruits and Vegetables

The Cuban fresh-fruit and vegetable industry has not recovered its prewar

volume. Inadequate shipping service, shortages of materials, and competition from more lucrative crops combined to reduce 1944 plantings. Except for tomatoes, vegetable exports were unimportant. Pineapples were the most important fruit exported, followed by bananas. Indications are that pineapple exports in 1945 will be larger, but banana production is declining because of sigatoka disease. The total production of processed fruits and vegetables amounted to about 24,000 tons, the most important being canned pineapple and tomatoes.

Fibers

Production of henequen in 1944 totaled about 27,700,000 pounds as compared with 26,300,000 pounds produced in 1943. About 50 percent of the fiber produced in 1944 was sold to the United States Government—3,000,000 pounds in raw form and 11,000,000 pounds as rope. Almost all of the remainder was manufactured into cordage for the domestic market. The 1945 crop of henequen is expected to be somewhat greater than in 1944. The Cuban production of 6,100,000 loofa sponges was the largest in the Western Hemisphere, practically all of which were sold to the United States Commercial Co. There is little interest in future production of this product because of the limited market.

Food Situation

Despite the fact that importation of foodstuffs into Cuba was maintained at normal levels, scarcities were evident because of exceptionally large demand and reductions in domestic production. About 455,000,000 pounds of rice was imported as compared with the 1936–40 average of 445,000,000 pounds. Domestic production amounted to about 50,000,000 pounds, or some 15,000,000 pounds less than in 1943. Wheat-flour imports were about the same as in 1943, but some scarcity was evident during the fall months. Imports of beans totaled 89,900,000 pounds as compared with the pre-war average of 50,000,000 pounds, but lower production and increased demand resulted in some scarcities, particularly of the black and red varieties. The supply of fats and oils was tight during most of the year; imports of lard dropped from 80,000,000 pounds in 1943 to 66,000,000 pounds. Receipts of vegetable oil also were reduced and production of peanut oil from the 1944 crop is expected to be less than in 1943.

The downward trend in production of meats and dairy products which began in 1942 continued throughout 1944. A severe drought from February through May in 1944, cut market supplies of cattle, causing a critical scarcity of beef. Output of milk and dairy products declined because of the drought, price factors, and transportation and labor difficulties. Shortages of condensed milk and butter were acute and customs duties on canned milk were waived to facilitate imports from the United States. Duty-free importation also was provided for eggs, which were in short supply.

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Courtesy Pan American Union

Treating Cuban pineapples for export.

Wages and Price Control

The cost of living continued to rise during 1944, and labor pressed for higher wages to offset the rise. Activities of the Office for Regulation of Price and Supply (ORPA) continued to be centered mainly on foodstuffs, but enforcement was inadequate during most of the year. Ineffectual enforcement of price ceilings, together with increased purchasing power of the people, resulted in an increase of 26 percent in the food-price index for Habana, and a 21 percent increase in the index covering average prices in 30 Cuban cities from January through October. Following President Grau San Martin's inauguration on October 10, a more vigorous price-control program was initiated. This program, coupled with seasonally large supplies of livestock products and emergency shipments of United States flour, eggs, and canned milk following the October 18 hurricane, resulted in a drop of 6 percent in the Habana price index, and 9 percent in the 30-city index. Clothing costs continued to rise during 1944.

Several decrees were passed raising wages in most fields of economic endeavor. Minimum wages were raised to 2 pesos daily for workers in urban areas and 1.60 pesos daily for rural labor. The campaign of the Cuban Confederation of Labor for a general increase of wages by 40 percent resulted in the Government's enacting Decree No. 2631 on August 19, 1944, increasing wages by 10, 15, and 20 percent at various levels, except for dock workers, printers, and newspaper and hospital employees. In October and November workers in the textile and garment industry demanded further increases, and in the latter part of November the industry was paralyzed by a strike which reportedly affected 25,000 workers. The Government decreed wage increases which halted the strike.

Wages paid to employees in commerce and industry totaled 239,852,700 pesos during the first 10 months of 1944 as compared with 231,686,464 pesos during the entire year 1943. This increase is attributed to the higher wage rates and to one of the highest employment levels in the history of Cuba.

Commerce and Industry

The high level of commercial and industrial activity during 1944 was evidenced in part by an increase of 11.5 percent in the value of merchandise sales in the January–October period as compared with 1943. This was the result of higher prices as well as the greater demand for semiluxuries and necessities. Profits-tax returns totaled 19,758,000 pesos in 1944 as compared with 15,156,000 pesos in 1943. Industrial production was hampered in some cases because of material and equipment shortages.

The alcohol-distilling industry operating in connection with the sugar industry expanded greatly during the year, as a result of the heavy export demand for industrial alcohol. At the end of the year 57 distilleries were operating as compared with 27 at the end of 1943. Production of industrial alcohol amounted to 51,000,000 gallons as compared with 27,000,000 gallons in 1942. The cigar industry attained a record production of 420,000,000 cigars; cigarette production is estimated at 7,500,000,000.

The part of the textile industry dependent on imported yarns operated at approximately 50 percent of capacity. The paper, publishing, and paper-container industries could not maintain capacity production because of shortages of raw materials. The can-making industry operated at about 30 percent of capacity, because of limitations on the use of tin plate. Production, however,

(Continued on p. 46)

Making Swedish Pig Iron

By R. P. DONOGH, *European Unit, and* D. B. STOUGH, *Metals and Minerals Unit, Bureau of Foreign and Domestic Commerce*

THE PIG-IRON INDUSTRY OF SWEDEN is of world-wide interest, because of its prominence in various phases of iron technique and production in early and in modern times.

The tremendously preponderant importance of raw materials and fuel in the costs in iron manufacture has accounted for Sweden's changing place in the world picture and explains its attempts to develop new techniques at the present time. Raw materials and fuel in the manufacture of coke pig iron represent more than 80 percent of the total cost of production, and with the use of charcoal, as has been the practice in Sweden, this percentage is even higher.

Sweden was one of the world's leading iron producers, as regards tonnage, in the days when charcoal was the only fuel used in reducing the ore. Its forests and adequate iron-ore deposits largely accounted for the leadership. However, with the arrival of the nineteenth century and the development of coke as a reducing fuel just prior to the invention of the Bessemer and open-hearth processes for cheap quantity steel, Sweden's position as a leading tonnage producer of iron and steel was changed. Charcoal, although unmatched as a fuel for producing high-quality iron, did not lend itself to tonnage production in smelting operations, and it had a far higher unit cost than coke.

Although the dual advantages of reserves of charcoal and low phosphorous iron ore kept Sweden in the field as a "quality" steel producer, production and transportation costs kept it out of tonnage competition. The desire to improve the utilization of ore resources and to better its competitive position from the standpoint of cost have made Sweden a leader in twentieth century attempts to develop and improve electric smelting so that it might use to full advantage the "white coal" found in its abundant waterfalls.

Thus the story of Swedish pig iron to date includes the recent work done in Sweden in iron smelting with electric power. World interest in this story has increased during the last two decades as the amount of low-cost hydro-electric and steam-generated power has increased.

Growth of Iron Industry

By the late seventeenth and early eighteenth centuries the Swedish iron and steel industry had reached a position of preeminence, in both the quality and quantity of its output. Sweden in 1740 accounted for about one-third of world production of pig iron, while the volume of wrought iron produced there by the earlier methods of ore reduction, in hearths of various types, was still considerable.

At this period iron and steel production for some time had been greatly curtailed in both Spain and England, because of exhaustion of forest reserves. In the latter country the quantities of wood required for fuel by the iron industry had become so great that the supply of timber for shipbuilding was diminished. In Germany the destruction wrought in various States by the Thirty Years' War necessarily had adverse effects on the iron industry. Though Sweden had been a prominent participant in that war, the iron industry of the country had been stimulated as a consequence.

By modern standards, the volume of world production of the iron industry of that time is not impressive. Swedish pig-iron production for the period 1738–47 is estimated at about 65,000 metric tons per annum. Exports of forged iron bars amounted to more than 40,000 tons annually for that period, although exports of castings, forgings, nails, and other articles amounted to only a few thousand tons, and exports in the form of steel were not more than 378 tons per year. The exportation of cast iron was not permitted.

Perhaps as much as four-fifths of the exports from Sweden went to England. The Swedish bar iron was conceded to be the best material for making steel by the Huntsman crucible process, invented about 1740. Almost all of the production of bars in the Dannemora region went to England. Swedish high-grade iron is believed to have covered about 40 percent of all English iron requirements. In America, in colonial times and later, the quality of the Swedish product was recognized and a satisfactory local iron was often claimed to be "as good as the Swedes."

The output of the Swedish iron industry increased only gradually in the second half of the eighteenth century. The wars of the Revolutionary period and the Napoleonic era had an adverse effect on it, partly because exports decreased somewhat, and fluctuated widely. Cast iron was the material (other than brass) which was largely needed for ordnance, and it would appear that high-quality material was not much used in the small arms of the time. The British blockade and the French counter-blockade were serious obstacles to Swedish exports. Pig-iron production in Sweden was about 75,000 tons per annum during the period 1791 to 1800. No doubt Sweden's own military needs, resulting from its participation in the series of general wars of that era helped maintain production.

After 1830, though blast furnace design and practice were improved, and there was a gradual increase in production, charcoal continued to be the fuel used in Sweden, which greatly limited volume there. After 1900 some coke pig was made locally for conversion to commercial grades of steel, but development was slow (the total was 31,961 metric tons in 1909, and 100,685 tons in 1913). In 1917, out of a total of 828,969 tons of pig produced, only 74,140 tons were coke pig. By 1939 the blast furnaces using coke only as fuel produced 253,625 tons of pig (total pig production was 644,038 tons).

Since iron and steel production increased vastly during the nineteenth century in the countries able to use coke in quantity as fuel, Sweden's relative share of world production decreased constantly. It was 12 percent in 1800, 1.6 percent in 1890, and in 1939 it was considerably under 1 percent. However, the exceptional purity of many of the ores of central Sweden, the technical ability of Swedish metallurgists, their readiness to adopt improved foreign methods, and the intelligent use of distribution methods have enabled that country to maintain to the present day a prominent position as a source of high-grade products, thus giving Sweden a much higher position in the world industry than volume figures indicate.

Strong economic forces have impelled Sweden to utilize its excellent ores, charcoal from the forests, and the abundant water power available in its domain. The geographic position, climate and soil of the country were a serious handicap to agriculture until fairly recent times, and for a long period in Sweden's history military enterprises, which interfered with agriculture, created a demand for iron and steel. Thus the rural population naturally devoted part of its effort to mining and metalworking, which yielded a salable product and fairly uniform returns. The nation as a whole found in the products of metallurgy an excellent export line with which to purchase abroad that portion of its food supply which it is necessary to import at all times, particularly to supplement the not infrequent failures of Swedish crops.

Rurik, the "Dane," and the Vikings required good weapons, which the domestic industry was seemingly capable of supplying. No doubt the unsuspected presence of alloy metals, particularly manganese, in high-grade Swedish ores contributed to the quality of the finished goods. The ships of the period also required iron in their construction, and, inasmuch as the Vikings combined trading with less-commercial activities, metal exports probably began early. Sweden's continued activities in navigation main-

tained the demand for iron for shipbuilding.

The Hanse merchants, who purchased Swedish iron for drawing into wire and for other manufacture in Germany, for subsequent reexport to England and elsewhere, penetrated Sweden and its iron industry in the Middle Ages, bringing much technical skill (though this was hardly a recompense for some of their other activities).

The military successes of Gustavus Adolphus during the Thirty Years' War have well been attributed, in part, to his improvements in the tactical use of artillery, made possible by the lightening of the individual pieces through the skill of the Swedish founders of cast-iron guns. (These improvements, it may be noted, were copied by Turenne who was in turn imitated by Napoleon.)

The strategic importance of the iron and steel industry explains the concern manifested by the Vasas for that industry. Gustavus Vasa (1523–60) established a cannon foundry at Taberg. The present Royal Swedish Arms Factory dates from 1626, and several prominent Swedish firms of the present day originated as cannon foundries in the time of the Vasas. Swedish iron cannon and cannon balls soon gained an outstanding reputation in world markets, such articles then being very important items in world trade.

After the elimination of the Hanseatic League from Swedish affairs (by the Vasas) the international influence in Swedish iron and steel production was renewed by immigration (at various times) of French, Walloon, Flemish, Dutch, and German metallurgists. Each brought to Sweden certain special skills in metallurgy. British participation is also of long standing; the Sheffield steel industry was a very large consumer of Swedish bar iron. British interests are said to have long owned a share in the Dannemora mines, and the development of the Lapland mines, in more recent times, owed much to British efforts. German firms have made several serious attempts to penetrate various branches of the Swedish iron and steel industry during the present century. Krupp had important holdings in Bofors until 1936, and that firm also had an interest in a large titaniferous iron deposit, at Routivaara, in Lapland, until 1939. One mine in Lapland and several in central Sweden are German-owned or controlled, it is believed.

Although foreign influences have been important in the Swedish iron industry, even to the point of predominating at certain early times, the industry now has a very definite national character, which shows a tendency to increase further, through the efforts of the Swedish Government, as well as through the activities of the Association of Iron Masters (Jernkontoret) and of individual industrialists and technicians. The industry is giving more attention than formerly to satisfying home-market requirements but continues its traditional interest in exports, and in the adoption of foreign improvements in metallurgy, as well as in independent research.

Courtesy American-Swedish News Exchange

Foundry in the Norrahammar Works, Sweden.

Early Production Processes

In Sweden, as elsewhere, early iron production was by direct processes. There are only circumstantial evidences as to the beginning and early progress of the industry there. It may have originated as early as 550 B. C., though in all probability it commenced about 400 years later. By the twelfth century it was well developed, and contemporary documents evidence a considerable export of Swedish iron to Hanseatic towns (principally Lübeck) by that time.

The first reduction of iron ore in Sweden was in open pits, but at a relatively early date the "Osmund" hearth or "blast forge" was introduced. Typical examples (of fairly late date) consisted of a masonry structure about 2 meters (6.5 feet) high, comprising a square hearth surmounted by a low funnel-shaped stack, comparatively wide at the top. There was one tuyère (blast orifice or nozzle) near the top of the hearth proper. The hearth was without other opening during operation.

The furnace was heated with firewood, which was charred in place. The ore charge was then introduced and the blast put on by means of bellows (at first hand-operated, later actuated by water power). The ores first used were the lake and bog ores (limonites) of southern Sweden, where the industry originated. These probably required little flux, simplifying operations (they were used on a decreasing scale, till 1936, in Sweden). Later, at the beginning of the thirteenth century, these hearths appeared in central Sweden, using hard ores (magnetites and hematites), some of which were self-fluxing.

The product of the Osmund hearth was a lump of iron of low (but varying) carbon content, a part classing as steel. The iron lump was removed from the hearth with tongs and was forged, by hand, to remove most of the slag and to consolidate the metal. Six charges, each resulting in a bloom of about 15 kilograms (33 pounds), could be produced by three men in a day. Waste and fuel consumption were of course high and total output small. Part of the charge was reduced only to a mass of slag with high iron content, which was recharged into the hearth.

The German bloomery or Stiermark hearth (a modification of the primitive "Catalan" hearth) was introduced about the thirteenth century. It was larger than the Osmund type and had an open hearth. The "stückofen," more nearly resembling a blast furnace in section, followed.

Introduction of Pig Iron

The Osmund furnaces and the bloomeries produced wrought iron (and steel) direct from ore. The Swedish steel industry is greatly interested at present in quite comparable direct-ore-reduction processes, using modern technical equipment and knowledge to remove the limit

imposed on volume of production by earlier methods. Increased volume and economy of production began in Sweden with the adoption of the indirect method, involving a pig-iron stage. The blast furnace ("masugn") in which this is carried out is said to have appeared in Sweden in the early fourteenth century, but was not used extensively until the following century, at the earliest. It was developed from the early Osmund, stückofen, and bloomery types of furnace. The height of the structure was now increased to about 7 meters (23 feet), the top of the stack was made narrower, and the hearth remained rectangular, as a rule. Fuel was separately prepared charcoal, and "hard" ores generally were used. Pre-sintering of ore, with wood fuel (to remove sulfur and save charcoal) which appears to have already been practiced with the Osmund furnaces, was increasingly employed. The pig obtained from the new-type furnaces originally was used mainly for casting (cannon and round shot in particular) while Osmund and bloomery wrought iron continued to meet the need for malleable ferrous metal during the period when the process of conversion of cast iron to wrought iron and steel was being developed.

In 1636, only 406 metric tons of cast iron were produced in Sweden, according to one authority, against a production of 3,500 tons of Osmund iron, but in 1660 cast-iron production is believed to have reached 22,600 tons. The influence of the Thirty Years' War, and Sweden's participation therein, is evident.

The early blast furnace probably was more efficient than the direct types of furnace, but it was a larger unit, and operation was practically continuous (for short periods), hence its fuel requirements were greater. It was too large for hand-operated blast and, consequently, was located near a small water-power site. The forge, where the pig iron was "refined" to wrought iron and forged to bars, also required much fuel and its power needs were much greater than those of the blast furnace, whereas for the Osmund and bloomery furnaces hand power had partly, at least, sufficed for blast and forging.

These different requirements of the blast furnace and the forge led to changes in the structure and location of the Swedish iron industry as well as in its methods.

The blast furnaces for the most part were located near the mines, as the earlier furnaces had been. They were operated largely by miners (who were at the same time farmers) and were used only when agricultural work was slack. Consequently, intermittent streams were adequate as a source of power for the blast.

The forge required quantities of fuel for the repeated heating of the pig to remove the carbon and to reheat the metal for successive forgings. Consequently it was necessary to locate forges and blast furnaces some distance apart, since the combined fuel needs of the two would have rapidly exhausted the forests of the vicinity. The power required for forging was considerable, and a site near a stream capable of supplying it was requisite. Operations were less seasonal than those of the blast furnace, and constant stream-flow was desirable.

Incidentally, an ingenious device for the mechanical transmission of power, for distances sufficient to remove the forges from high-water danger, was soon introduced. It consisted of an articulated line of heavy wooden rods (actuated by a crank on the water-wheel shaft) which slid on suitably spaced lubricated supports, thus transmitting reciprocating motion to the bellows, hammers, and other parts. A variant was a form in which two parallel lines of rods were suspended, from a pivoted cross arm, on either side of a vertical support. The maximum distance over which power could be transmitted was short (a very few kilometers) and the capacity of the device was very limited.

Another factor which contributed to this separation of the primary plants from those enterprises which further processed the metal was the practice then current of exporting much of the pig (principally to Germany) and reimporting it in the form of bars and finished manufactures. This was corrected by a decree of 1604, prohibiting iron-ore and pig-iron exports, in order to promote exports in the form of finished bars. Bar production was regulated by licensing the quantity of fuel put at the disposal of the finishing industry, whereas pig-iron production was unrestricted. As a result, many forges were established in forested districts thus far unsettled. The application of these restrictions was particularly severe in the second half of the eighteenth century, when price considerations rather than forest conservation governed Swedish export policy.

A third cause for differentiation was the fact that the mines were operated largely by the peasants, who also worked the blast furnaces, but who did not possess sufficient capital to erect forges, although, about 1606, the government encouraged them to do so. The peasants could not, of course, conduct their mining and metallurgical operations on a continuous basis, since their agricultural pursuits occupied them during the crop season. This limited the size of operations they could conduct profitably. As a result, the production of pig iron and the processing of the pig to wrought iron were in the hands of distinct groups, with widely different interests and background.

With the foundation of the Jernkontoret (Iron Masters' Association) in 1744 the trend toward separation of pig-iron production from processes of refining diminished. There is some evidence that those enterprises which were able to escape the effects of the separative influence enjoyed considerable economic advantage.

It was customary for Swedish iron works to acquire considerable forest areas to supply wood for charcoal production. As a consequence, several present-day steel companies in Sweden are also prominent in the lumber, pulp, and paper industries and as producers of byproduct alcohol as well as various chemical products derived more indirectly from wood. Naturally enough, also, steel companies have developed hydroelectric energy on a large scale, and one such company controls the largest private power enterprise in Sweden.

Courtesy American-Swedish News Exchange

Making pig iron at a Swedish mill.

Development of Blast Furnace

The use of charcoal fuel maintained the quality of Swedish pig iron but greatly restricted volume of production. The low compressive strength of charcoal limits the height of stock column which can be attained in a blast furnace when this fuel is used. This has retarded the increase of capacity of charcoal blast furnaces in the past and continues to restrict the size of units generally employed—a very important factor affecting the supply of the domestic market with commercial-grade steel of home production at present.

As late as 1833 the average output of the Swedish blast furnace was less than 3 metric tons per operating day. With the adoption, at that time, of the English hot-blast method, using stack gases to heat the air (and sinter the ore), furnace capacities increased (while numbers decreased). The average daily output was 6.68 tons for the period 1861–65, 13.81 tons in 1900, 21.35 in 1915, and 32.24 in 1939 (see also table I).

The use of coke as blast-furnace fuel in Sweden commenced on a small scale at some steel plants shortly after the turn of the century. Coke pig is used mostly for commercial steel production, though some high-grade steel has been made from it. The only manufacturer of coke pig iron for sale is Oxelösunds Järnverks AB., but the Domnarvet plant of Stora Kopparbergs Bargslags AB. produces coke pig for "home" use. The average coke unit is very small, by world standards, though unit production far exceeds that of charcoal blast furnaces. Total production (253,625 metric tons in 1939) is relatively large. In 1936 average output, per furnace per day in blast, was 173.71 metric tons, and in 1939 the average was 145.26 tons. Some units have a capacity of 200 metric tons per day.

Grängesberg high phosphorous ores are largely, but not exclusively, used in coke blast furnaces. They are particularly important to Domnarvet, the largest producer of steel of commercial grade (apparently basic Bessemer steel). Oxelösund uses other ores as well, producing foundry pig, pig bar malleable cast iron, open-hearth pig and pig for electrosteel, with phosphorous contents ranging from 1.80 percent to 0.035 percent.

The quantity of charcoal consumed in ordinary blast furnaces in Sweden varies considerably, according to ore used, character of product, and other factors. In 1939 average consumption was 50.7 hectoliters per ton of pig produced, and for 1938 it was 51.5 hectoliters. Methods of fuel measurement also affect results, and the figures given by individual plants are often far from being in agreement with those from other plants. Thus in 1939 one prominent firm reported a consumption (per ton of pig) of 45.5 hectoliters, a small firm, specializing in foundry pig, used 65, and another, 45 hectoliters.

Blast-furnace charcoal may be produced from the forests of the company, purchased by the company from local producers, or purchased in northern Sweden. The rail haul involved in the last case greatly increases costs. The five counties in which most blast furnaces are located were responsible for 89 percent of Sweden's charcoal consumption during the period 1933–37, and produced 61.6 percent of the charcoal supply. While the average cost of all charcoal consumed in the iron and steel industry in 1939 was 1.22 crowns per hectoliter, prices ranged from 0.88 crown to 1.55 crowns. The fixed wartime prices of charcoal are of course much higher.

Courtesy American-Swedish News Exchange

Pig iron at the Sandviken iron works in northern Sweden.

The average consumption of coke in blast furnaces in Sweden was 790 kilograms per ton in 1939 and 820 kilograms in 1938.

Domestic coals do not give coke suitable for metallurgical use and wartime fuel-cost increases have been a serious factor.

"Elektrometall" Furnace

In the early twentieth century a desire to conserve wood resources led to the design and adoption (1910) of the "Elektrometall" type of electric furnace. These, for the most part, use charcoal as a reducing agent, though coke breeze can be used. Electric energy is the main source of heat. The fact that charcoal dust can be employed is a favorable factor, but current consumption is so high that low-cost current is essential to their economical operation. Their capacity averages from 35 to 45 metric tons per day, for all units. Their quantitative advantage over regular charcoal blast furnaces appears to be due to operation on mixed charcoal and coke in some units, which reach an average daily production of more than 60 metric tons. Their average period of operation per annum appears to be higher than that of ordinary charcoal blast furnaces, and a maximum of nearly 7,500 hours (312 days) is said to be feasible.

A characteristic design of this type of furnace (at the Hagfors plant of Uddeholm AB.) consists of a six-electrode arc furnace, which takes the place of the hearth of an ordinary blast furnace, and which is surmounted by a stack very similar in section to the ordinary blast furnace. Early designs had a downcomer and the hot blast was applied as in ordinary blast-furnace practice. It appears that no blast is used in current practice with the "Elektrometall" type of furnace, since it is claimed that absence of blast gives a lower gas content in the pig. The "off" gases are, however, recirculated through the furnace, and assist reduction. It is also said that the electro pig iron from this type of furnace is more uniform in quality and is easier to melt in the open-hearth furnace than ordinary charcoal pig iron. Since the quantity of charcoal or coke in the charge is relatively small, the absorption of phosphorous and sulfur from fuel by the metal is slight.

Charcoal consumption per ton of pig iron produced is said to range from 330 to 350 kilograms. The average for 1939 was 28 hectoliters of charcoal, which compares with 50.7 hectoliters for ordinary charcoal blast furnaces. The 1939 charcoal figure for electric "shaft" furnaces is based on quantities derived from the volume of arriving cars; in 1935 (when quantities were taken after dumping into storage) the consumption per ton of pig was computed at 22.7 hectoliters.

Current consumption in that year averaged 2,500 kw.-hr. per ton of pig, though it is said that a rate as low as 2,200 kw.-hr. can be reached by using sintered ore. Electrode consumption is about 7 kilograms per ton (of pig).

(Continued on p. 47)

Late AIRGRAMS

Reports Submitted by Offices of the U. S. Foreign Service

Cuba

(From the U. S. Embassy, Habana)

The extremely severe drought that prevailed in Cuba since October 18 was not broken until late April, when a few rains occurred, but these were still insufficient to revive pastures and permit spring plantings. The effects of this drought became increasingly severe during the past month and resulted in shortages of all kinds of agricultural products.

By April 28, Cuba's 1945 sugar harvest was already about 93 percent completed, and 117 of the 160 mills had closed for the season. The crop is estimated at about 4,000,000 short tons of raw sugar and about 200,000,000 gallons of blackstrap molasses. The contracts for the sale of sugar, molasses, and alcohol to the Commodity Credit Corporation and Defense Supplies Corporation were signed on April 26, providing for a price of 3.1 cents per pound of raw sugar f. o. b. Cuban port as compared with 2.65 cents during the 3 preceding years. The prices for exports of blackstrap molasses and industrial alcohol continue the same as in 1944.

Wholesale and retail trade continues active throughout the island, but the problem of restocking, particularly in foodstuffs and the scarcer import items, is causing some concern.

Popular agitation has been stirred by foodstuff shortages, especially in Habana, where practically no butter, cheese, or canned milk, and very little fresh or cured meat, fresh milk, eggs, lard, and soap are available. The Ministry of Agriculture in a campaign for increased food production is assisting small growers by providing seed and by sending out tractor crews for plowing. The Ministry is also taking over plows, harrows, and tractors, both in stock and arriving for specific consignees, in order to carry out this program.

Enforcement measures for price control have been ineffective under the pressure of food shortages and increased purchasing power. The fairly steep upward trend in cost of living is expected to continue at least until midsummer, when larger supplies of domestic foodstuffs may ease the pressure.

The Government has issued a decree freezing rentals for a period of 1 year, and permitting increases after that time not to exceed 10 percent per year. In the meantime, representatives of real-estate owners throughout the island have met in Habana in the second National Congress of Property Owners and have issued resolutions requesting modification of property-control legislation to permit limited increases in rentals and the eviction of tenants for proper cause.

A threatened strike of port workers throughout the island which would have affected 40,000 workers in 27 Cuban ports was averted by Government action. A 3-day strike in the three sugar mills operated by Hershey Co. was halted when workers' demands were referred to the Ministry of Labor for consideration. A 40 percent wage-increase demand by Habana streetcar operators is also being considered by the Cuban authorities, as, it is believed, are similar demands reportedly made by railway and other transport workers.

Regulations governing the issuance of permits for the employment of foreign technicians in Cuba have been promulgated by the Ministry of Labor. These regulations, based on the Nationalization of Labor Law, provide that no foreign technicians may be employed in Cuba unless it is adequately established that no qualified Cuban citizens are available for the position. Employers are required to train Cuban citizens for technical positions, and permits for the employment of foreign technicians may be issued only for limited periods, not to exceed 1 year.

May 1 was marked by the greatest demonstration ever staged by Cuban workers in an orderly and well-disciplined parade before the President and Cabinet members.

The first International Air Transport Conference, an outgrowth of the International Civil Aviation Conference at Chicago, was held in Habana from April 16 through 19, and resulted in the adoption of permanent Articles of Association and the election of members of the Executive Committee which gives voting power as follows: British Empire 3, United States 2, and one each to France, the Netherlands, Sweden, and Brazil. A meeting of the Executive Committee will be held in Paris at the end of July, and the next general meeting will be at Montreal.

The American Chamber of Commerce appointed a representative to appear before the Ways and Means Committee of the House of Representatives in Washington to present the Chamber's arguments in favor of the continuance of the Trade Agreement Act.

The Cuban Government is appointing a commission of six persons headed by Carlos Maristany, Sub-Secretary of Communications, and including Dr. Luis Machado, to attend the Inter-American Radio Conference at Rio de Janeiro, and a number of individual radio stations are expected to send technicians.

The manufacture of tires in the local tire factory was reduced from an average of 3,500 a month to 2,250 during April because of shortage of carbon black.

Revenue collections showed continued improvement—total budgetary revenues collected during the first 4 months of 1945 amounting to 51,816,256 pesos, which is an increase of 8,576,168 pesos over the corresponding period of last year.

Dominican Republic

(From the U. S. Embassy, Ciudad Trujillo)

The President of the Republic has announced the removal of various wartime controls on the majority of agricultural exports, effective April 27, 1945. This action makes it no longer necessary for the exporter to obtain a permit from the appropriate Dominican Government control authority to export the following commodities: Leaf tobacco, cocoa and coffee, lumber (except precious woods), cattle, poultry, bananas, coconuts and derivatives, corn meal, wheat bran, and peanut cake. During the operation of these controls, the export of the enumerated items was permitted, but the necessity for permits had resulted in some instances in discouraging the promotion and the export of certain commodities. Still in effect are the wartime controls on importations from the United States, principaly those in short supply. The decree of April 27, however, lifts controls over the import of nails, iron and steel articles, and metals necessary for national industries.

A proposed new tax on the export of all merchandise from the Republic, amounting to three-eighths of 1 percent ad valorem, was presented to the Legislature by the presidency on April 27 as the means by which the Dominican contribution of $350,000 to the UNRRA would be paid. This contribution, determined and agreed to by UNRRA upon the visit to the Dominican Republic of Dr. Ricardo Alfaro in March 1945, will consist of the purchase and shipment by the local UNRRA organization of various agricultural products, such as cocoa, corn, rice, and sugar, plus a cash contribution of 10 percent of the pledge. The Banco de Reservas will advance the sum of $350,000 at 3 percent interest to finance the Government quota. Principal and interest are to be repaid from the proceeds of this new export tax.

A contract for a new water pipe line, signed by the Director General of Public Works of the Dominican Republic and the Lockjoint Pipe Co. of East Orange, N. J., on April 16, provides for the construction within 15 months of a concrete pipe line of some 30 inches in diameter from the reservoir to Ciudad Trujillo. The contract, amounting to $1,468,260, calls for local construction of the concrete piping and the payments are to be made in stipulated monthly amounts upon performance of a requisite percentage of the work. This pipe line will pro-

vide the capital of the Republic with long-awaited 24-hour water service, the present pipe line having a capacity sufficient to service the city for only 16 hours out of the 24.

Free milk is now being distributed to underprivileged residents of the capital by the Administrative Council (city government) of Ciudad Trujillo to the extent of some 2,000 bottles daily. The distribution is effected in the early morning at the impressive new headquarters of the Dominican Party.

Government plans for several new projects were announced by the Chief Executive on April 7. These include the creation of an agricultural loan bank; construction of low-cost housing for workers and public employees who earn less than $100 per month; improvement of the water supplies of various cities, including the capital; and the construction of a lighthouse, a memorial to Columbus. The latter will go forward upon the arrival at an early date of the British designer and engineer.

The Dominican Bureau of Statistics is currently undertaking a census of the inhabitants and the buildings and residential accommodations of Ciudad Trujillo. A short course has been given to some 800 enumerators, and the Army organization also will be utilized in surveying the various sections of the city. The buildings census is expected to provide useful information for postwar construction estimates and material markets.

Venezuela

(From the U. S. Embassy, Caracas)

In his message to Congress, delivered April 21, President Medina attributed the present prosperity of the country to government intervention to protect the Venezuelan economy against the emergency conditions arising out of the war.

As of April 15, the Treasury surplus, he said, was 238,499,000 bolivares (approximately $71,549,000) in comparison with which the public debt of 24,952,000 bolivares (approximately $7,500,000) is insignificant, and added that a budget for the coming fiscal year amounting to nearly 500,000,000 bolivares (approximately $150,000,000) would be presented. In expending these reserves, the public-works program, especially in connection with projects to improve the public health and education, is the largest ever undertaken. A keystone of future economic policy, he indicated, would be the further increasing of production of all commodities, especially agricultural, through the Junta de Fomento de la Producción Nacional (National Production Development Board) and through the projected Law of Agrarian Reform.

Owing to improved outlet for heavy crudes from the Lake Maracaibo area, petroleum production reached a record daily average of 841,669 barrels during the week ended April 16, the previous peak being 832,891 barrels per day in the latter part of September 1944. In response to increased demand for medium type crude, drilling programs are being revised to increase production of this type of crude as rapidly as possible. The drilling of deeper pool wells in the Lake Maracaibo Basin has resulted in the opening of two wells with a 5,000-barrel-per-day production each, and a third which promises 8,000 barrels.

With Government revenues during the first 9 months of the current fiscal year at the unprecedented level of 421,000,000 bolivares (approximately $126,000,000) and expenditures at 345,500,000 bolivares (approximately $104,000,000), pointing toward a substantial treasury surplus, budgetary appropriations during the past 4 weeks have been increased by 4,000,000 bolivares. Central Bank foreign-exchange surplus resulting principally from sales of petroleum, coffee, and cacao stood at $29,715,838 at the close of March, nearly three times the comparable figure for last year. Steadily increasing deposits in commercial banks reflected the current easy-money situation; while check clearings, approximately 23 percent over last year, were indicative of accelerated commercial activity.

With the arrival of approximately 45,000 metric tons of merchandise during the past month and further volume arrivals anticipated shortly, the problem of port congestion at La Guaira again became acute. Exports were at an increased level owing to the release of coffee stocks, which had been withheld from shipment in the hope of higher prices, in the estimated amount of 50,000 bags.

Investible funds, both private and official, continued to be absorbed by construction projects during April, the most important of which is a 1,000-unit workers' housing development near Maracaibo. By a decree published April 18, an initial government loan of 2,000,000 bolivares (approximately $600,000) was made to the Banco Obrero for financing the work, which is to be begun shortly. Building permits for the Federal District issued during the first quarter of 1945 authorized the construction of buildings valued at 23,500,000 bolivares (approximately $7,000,000) exclusive of the land.

Announcement of the initiation within 30 days of air traffic with Brazil was made by the president of the Brazilian Cruzeiro do Sul during a recent visit to Caracas. Traffic connection with the Línea Aeropostal Venezolana is to be made at Santa Elena, a frontier settlement in southeastern Venezuela. By a decree of April 18, the construction of airdromes at Higuerote, Estado Miranda, and Puerto Cabello, Estado Carabobo, was ordered. Reports indicate that work on the new airport at Barcelona, rapidly becoming a major air transportation center, is well advanced. On April 4, a landing field at La Montanita, near the north-central coast of Estado Falcon, was opened for service, bringing to 26 the number of airports maintained by oil companies.

The present outlook for the sugar crop indicated 30 percent less production than last year. Owing to farm-labor shortage and increased domestic demand, sugar continued in short supply and subject to controlled sales, although stocks were increased by the arrival in mid-April of 3,300,000 pounds from Cuba.

At the request of a local producer, the import duty on broken glass for use as a manufacturing material, was reduced on April 7 to the nominal rate (for statistical purposes only) of 0.001 bolivar per kilogram. This reduction follows the official policy, effective since February 18, 1944, of reducing import duties on materials for manufacture and noncompetitive consumption items.

Guatemala

(From the U. S. Embassy, Guatemala)

Among important matters considered at President Arevalo's first cabinet meeting early in April were, on the international front, the recognition of the Soviet Union, El Salvador, and Argentina, and, on the domestic front, the serious economic threat arising from the rapidly mounting costs of basic foods. Shortly afterward the Guatemalan Government established diplomatic relations with the governments of the three nations mentioned above.

An unusually protracted dry season throughout the country resulted in short crops of corn, beans, and rice—principal articles in the diet of the mass of the people—and encouraged speculation in salt and refined and crude sugar. Scarcity of truck tires also caused a lay-off in rolling equipment which further contributed to the rising prices of foodstuffs, inasmuch as these depend almost entirely upon trucking transport facilities for delivery to the large urban centers.

To combat climbing prices of foodstuffs the National Legislature passed an Emergency Economic Law under the authority of which the Government promptly intervened—the Consorcio Azucarero, sugar producers' distributor pool, assuming control throughout the country of production, sales, and distribution of sugar. A price-control office was established to administer a schedule of price regulations, and already ceilings have been established on refined and crude brown sugar, corn, rice, beans, and salt, and a prohibition has been placed on the further use of crude brown sugar in the manufacture of rum (aguardiente).

The drought likewise hindered the control of fires in extensive areas of the Peten national forests where they destroyed incalculable amounts of chicle, mahogany, and rubber in that important producing region. Recently slight rains have begun, and it is expected that before long the destructive action of the fires will be stopped. Other fires in the forest reserves of Huehuetenango, Chimaltenango, and in the Sierra Madre in Zacapa have over-run wide sections and destroyed large quantities of pine timber.

A bill to provide a new forestry law, submitted to the National Assembly by the Ministry of Agriculture, aims at the conservation of the national forest reserves, the repopulation of agricultural areas denuded by overcutting and consequent soil erosion, the scientific control of timber operations, and simplification in the system of issuing timber-cutting permits.

(Continued on p. 46)

News by COUNTRIES

Argentina

Economic Conditions

SCHOOL BUILDINGS FROM ARMAMENT APPROPRIATIONS

The Argentine Government has issued a decree transferring the sum of 100,000,000 pesos to the construction of school buildings in small communities. These 100,000,000 pesos represent the unspent balances of the 1944 budget appropriations for the purchase of armaments. This action should aid greatly the rural areas where the population if widely scattered and therefore regular school attendance offers greater difficulty. In Argentina attendance at primary schools is obligatory.

Wartime Commodity Controls

Regulations for Wheat Millers during 1944–45 Period.—Flour mills in Argentina are obliged to use in their manufacture for domestic consumption wheat of the 1944–45 harvest in a proportion not less than 70 percent of the average milling which they have registered at the Regulating Board of Agricultural Production (Junta Reguladora de la Producción Agrícola).

The regulations for wheat millers were established by Decree No. 32535 of November 30, 1944, of the Department of Industry and Commerce, and are effective during the period December 1, 1944, to November 30, 1945. Purchases by the Regulating Board of Agricultural Production, transferred in the latter part of 1944 from the Argentine Ministry of Agriculture to the Department of Industry and Commerce, were begun on December 18, 1944.

Prices Fixed on Wheat and Linseed.—The selling price of controlled original wheat and linseed to be sold during 1945 was fixed at 10 and 14 pesos, respectively, per bag of 60 net kilograms by Resolution No. 920, February 28, 1945, of the Argentine Ministry of Agriculture.

Australia

Tariffs and Trade Controls

Import Restrictions on Certain Books Relaxed.—The Australian import licensing regulations have been relaxed to permit the importation of certain books published in the United States and other nonsterling countries.

Books and printed matter (not magazines or periodicals) relating to technical, scientific, medical and theological subjects, as well as Bibles, prayer books, missals, hymn books, English-language dictionaries costing not less than $1.50, and foreign-language dictionaries will be licensed for importation without any quota limitation.

Books and printed matter for public libraries controlled by Commonwealth, State, or municipal authorities will be obtained on import licenses and limited to three copies of each title.

No licenses will be issued for books of the types known as western, detectives, crime and light romance, fiction in paper-covered editions, children's toy books, and dictionaries (other than those described above).

Import licenses will be granted for other books (not periodicals or magazines) and music up to 100 percent of the value imported by individual concerns in the base year ended June 30, 1939.

Import Restrictions Relaxed on Linoleums and Floor Coverings.—The Australian Government has announced that imports of linoleums, and floor coverings having a surface similar to that of linoleums, originating in nonsterling countries will be permitted up to 50 percent of the value of imports by individual concerns in the base year ended June 30, 1939, effective April 4, 1945.

[Imports of the above products into Australia were formerly prohibited.]

Transport and Communication

Railway Operations.—Passengers carried on the New South Wales Government Railways, in Australia, during the fiscal year ended June 30, 1944, numbered 250,565,758, an increase of 13,124,481 above the record total for 1942–43, states the European press. Gross ton-mileage totaled 13,686,497,802 compared with 13,634,409,353, and goods tonnage, excluding livestock, amounted to 18,602,711, a decrease of 243,245.

The Cover Picture

Habana Customhouse

The handsome customhouse in Cuba's capital, shown in our cover picture this week, means a good deal to American producers of a great variety of commodities, because Cuba is always among our three best customers in the Latin American field. In the month of September 1944, for example (the most recent figures available), Cuba took $11,738,000 worth of our products. The factor of physical nearness plays a big role, of course, in the excellent position which we enjoy in the Cuban market, but Cubans have always held our merchandise in high esteem and our commercial relations with the island Republic have been very close.

This picture has been courteously furnished by the Pan American Union.

Brazil

Tariffs and Trade Controls

Alterations in Consumption Tax Law.—A new Brazilian consumption tax law, Decree Law No. 7404 of March 22, 1945, has superseded Decree Law No. 7219–A of December 30, 1944, providing for new basic consumption taxes on domestic and imported products. (See announcement of the preceding measure in FOREIGN COMMERCE WEEKLY of March 3, 1945.) The new law, which went into effect on April 2, 1945, differs from the preceding one principally in the matter of technical alterations reducing paper work, and in the correction of typographical errors of the former decree.

The following alterations are of special interest to exporters to Brazil:

(1) In cases where sales prices in Brazil are frozen, an importer is prevented from passing the tax on to consumers, but domestic manufacturers are permitted to invoice the tax separately.

(2) Imported storage batteries for automobiles and other uses are subject to a consumption tax of 8 percent ad valorem, whereas those of domestic manufacture are exempt from the tax.

(3) Compressed-air equipment and sewing-machine needles are added to the commodities specifically listed as exempt from taxation.

(4) Automobile tires and inner tubes of domestic origin are exempt from taxation, when sold by tire manufacturers directly to automobile assembly plants for use exclusively in equipping new automobiles, imported into or manufactured in Brazil.

British West Indies

Transport and Communication

Highway Statistics, St. Kitts.—St. Kitts, Leeward Islands, British West Indies, has 20 miles of treated macadam

road, 17 miles of water-bound macadam, and 23 miles of unimproved earth roads. Ten trucks and four taxis of the station-wagon type operate on the island.

Annual appropriations by the government include £6,500 for construction and £2,050 for maintenance.

Colombia

Exchange and Finance

Relaxation of Anti-Inflation Measures.—Compulsory investment requirements instituted in June 1943 for the purpose of curbing inflation have been relaxed to a considerable extent. The most recent relaxations were provided for in Decree No. 668 of March 16, 1945. That decree fixed the percentage of profits that must be invested in Bank of the Republic Certificates of Deposit at 10 percent, as compared with 20 percent required in the original law, and fixed the percentage of annual depreciation and legal reserve appropriations which must be similarly invested at 25 percent as compared with 100 percent required in the original law.

The certificates of deposit and compulsory investments therein were provided for in Decree No. 1148 of June 10, 1943. The certificates are direct obligations of the Bank of the Republic, mature 2 years from the date of issue, bear interest at 3 or 4 percent, depending upon the purchaser, and are not negotiable except at the discretion of the issuer. Certificates are issued at the option of the buyer in pesos, dollars, or gold and are redeemable in the same units except that those stated in gold may, under certain circumstances, be redeemed in dollars.

Under the decree of June 10, 1943, corporations and other concerns were required to invest 20 percent of their annual net profits in certificates bearing 4 percent interest payable quarterly. Decree No. 1304 of July 3, 1943, subjected individuals to investment requirements and permitted an exemption of 12,000 pesos by corporations as well as individuals in the computation of net profits. Decree No. 2579 of December 23, 1943, reduced the required investment to 10 percent of 1943 profits, raised the 1943 exemption to 50,000 pesos, and empowered the Government to lower the percentage of net profits for 1944 which firms and individuals must invest in certificates. It also stipulated that required investments must be made in full by the end of February of the year following that to which they correspond.

The basic law required investment in certificates of the entire amounts of annual appropriations to depreciation reserves and legal reserves. Decree No. 1304 reduced the percentage from 100 to 50 percent.

The June 10, 1943, decree required investment by importers in these certificates of 10 percent of the value of merchandise imported. Decree No. 1304 reduced the percentage to 5 percent and Decree No. 1634 of September 9, 1943, abolished the requirement.

Decree No. 1148 increased the reserves which banks are required to maintain against sight liabilities from 15 to 30 percent, such increase to be invested in 3 percent Certificates of Deposit, but Resolution No. 1661 of September 15, 1943 reduced the required reserves from 30 to 15 percent. Decree No. 2579 of December 23, 1943, provided that with respect to the settlement of reserves against these liabilities there would be used as a basis the amount of such liabilities held by each of such establishments as of November 30, 1943, and it made important changes in the reserve requirements.

Any excess of quick liabilities over the corresponding balances of each banking establishment as of November 30, 1943, requires additional legal reserves, as follows: Increase up to 10 percent, requires 100 percent additional reserve; over 10 percent and not over 25 percent, 150 percent additional reserve; over 25 percent, 200 percent additional reserve.

Despite these substantial revisions of the original decree, organized business interests and the Colombian press have vigorously opposed the measure. In February 1945 the National Association of Industrialists of Bogota, a similar association in Medellin, and the Bogota Chamber of Commerce petitioned the Government not only for the suspension of the compulsory investments but for a return of funds already invested, amounting on December 31, 1944, to about 47,000,000 pesos. The allegations made in the petitions were in general the following:

(1) Since companies in general do not have sufficient cash to purchase the required amounts of certificates, they must resort to bank loans.

(2) The companies need all their liquid capital to finance the importation of new equipment and merchandise that they expect will become available as soon as the war ends.

(3) The purpose for which these freezing regulations were originally promul-

Pertinent Comments on World Economy Today

[*Being one of a series of excerpts from books, pamphlets, and speeches*]

"The Bases of an Economic Foreign Policy"

* * * Without the development and expansion of export markets, a reorganization of many of our leading industries, involving the transfer of labor and capital into occupations producing for the domestic market, will be necessary. Such a readjustment would be costly and difficult; moreover, it would come at a time when we were already plagued by the problems of demobilization of war industries and of maintenance of a high level of employment. Expanding postwar markets for our exportable products, on the other hand, can do much to relieve the severity of these problems.

Our need for imports, especially raw materials for our immense industrial plant, likewise calls for the restoration of freer trading conditions. Continuance of the trade barriers of the thirties, by making it difficult for us to export, will seriously hamper our ability to acquire the wide range of products we must have for efficient, low-cost production. In that event, in order to attain as high a degree of efficiency for our economy as is possible, we would be forced to seek assured sources of supplies by the only other means open to us, namely, adoption of bilateral trading arrangements, economic domination of raw-material producing areas, and the production of synthetic substitutes. Not only would this solution be far less economical than the purchase of supplies in the open market, but it would also entail both the continuance and expansion of economic controls and the introduction of political controls as well. This point, moreover, has a wider application. If the United States were forced to create a relatively self-sufficient economic empire, other nations, faced with similar conditions, would be driven to attempt the same solution. The end result would be the appearance of a few great regional blocs, comparatively self-contained, enduring reduced standards of living, with each continually sparring for opportunities to expand its sphere of influence. A more ideal set-up for the outbreak of imperialistic wars can scarcely be imagined.

On the other hand, if the network of restrictions that obstruct free commercial intercourse can be eliminated, or at least greatly ameliorated, the expansion of world markets will remove the necessity of reorienting established industries, the possibility of taking advantage of the benefits of international specialization will permit living standards to rise throughout the world, and governments can devote their energies to devising constructive measures to improve economic conditions instead of administering an increasingly complex system of restrictive controls.

Finally, removal of trade restrictions will permit the restoration of multilateral trading relations and, therewith, the free international movement of funds to pay interest and dividends. Quite aside from our interest as a creditor, this would go far to release the inhibitions that have for more than a decade reduced international investment to a trickle. With a resumption of foreign investment, the development of the more backward areas of the world could again proceed, to the mutual benefit of the inhabitants of these regions and of those with whom they trade.

(From "Problems of the Postwar World." A Symposium on Postwar Problems by Members of the Faculty of the Division of the Social Studies at the University of Wisconsin and Others. Edited by T. C. McCormick.)

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gated, that is, the discouragement of speculation, no longer is valid in view of the recent tendency of business to accumulate cash reserves in order to finance future expansion of plants and of stocks, and the tendency to reduce liabilities and avoid new commitments.

It was also argued that the increased financial burden upon private companies imposed by increased taxation, new social-security charges, and increased costs of production, call, not for decreased, but for increased working capital.

In the light of these arguments and others, Decree No. 668 of March 16, 1945, was issued, containing these provisions:

(1) Continuation of the reduction from 20 to 10 percent of the percentage of annual net profits required to be frozen by obligatory investment and of the 50,000 pesos exemption.

(2) Reduction from 50 to 25 percent of the percentage of annual depreciation reserve appropriations to be so invested.

(3) Postponement indefinitely of the period within which investment corresponding to 1944 operations must be made. The Government, if necessary, will fix by later decree the new period within which such obligatory investment must be consummated.

(4) The Bank of the Republic will return upon demand deposits that may already have been made corresponding to 1944 operations.

(5) The Bank of the Republic will redeem, before maturity, up to 100 percent of the deposit certificates to holders who will subscribe the amount returned in short-term Treasury notes, characteristics of which will be announced later by the Ministry of Finance.

(6) The Bank of the Republic will also redeem, before maturity, up to 50 percent of the deposit certificates, holders of which prove that the funds returned will be devoted to one or more of the following purposes: (*a*) Importation of machinery, spare parts, or other materials for the mounting, expansion, or maintenance of factories; (*b*) importation of raw materials for industry; (*c*) importation of fertilizer, seeds, or agricultural machinery, tools, or implements; or (*d*) payment of income, patrimony, and excess-profits taxes, provided that the taxpayer has subscribed to the afore-mentioned short-term Treasury notes an amount not less than 50 percent of the value of deposit certificates in which he may already have invested in compliance with the law.

Economic Disruption in Belgium's Ardennes Region

The Belgian High Commissioner for civilian protection in the province of Belgian Luxembourg, broadcasting an appeal on behalf of the war-stricken population of the Ardennes, said that in this area the administrative system had broken down and all means of communication—railways, intertown tramways, postal, telegraph, and telephone services—had been wiped out. Road traffic was hampered by the dilapidated state of all motor vehicles, and by the presence of mines in the countryside. The Belgian mine-clearing corps were working devotedly, but were too few in number, and the work would take weeks. In the meantime there were many fatal casualties, and the fields could not be tilled.

The task before the authorities, the High Commissioner said, was vast and full of difficulties, and the situation was made more tragic by the fact that behind the devastated Ardennes lay a country drained of its resources by 4 years of enemy occupation, with its railways partly destroyed and with very little rolling stock left.

The Belgian Government has decided to exempt Belgian Luxembourg, until further notice, from the obligation of contributing to the general supplies of the Kingdom by levies on its production of meat, flour, and dairy foods.

The people of the Ardennes, the Commissioner added, are not giving way to despair. Many inhabitants are returning to the ruined villages and bringing their ingenuity to bear on the work of remedying conditions which it had been thought would never recur in civilized lands.

Tariffs and Trade Controls

Ratification of Most-Favored-Nation Commercial Treaty With Reciprocal Tariff Concessions, Exchanged with Ecuador.—The Exchange of ratifications of the unconditional and unlimited most-favored-nation commercial treaty with reciprocal tariff concessions between Colombia and Ecuador, signed at Bogota on July 6, 1942, took place at Quito on April 3, 1945, and the treaty became effective from that date.

[See FOREIGN COMMERCE WEEKLY of October 23, 1943, and of December 11, 1943, for announcements of the signature and terms of this treaty, and of a supplementary agreement of October 14, 1943, expanding the original treaty; and FOREIGN COMMERCE WEEKLY of September 9, 1944, for an announcement of its ratification by Ecuador.]

Dominican Republic

Tariffs and Trade Controls

Seeds: Importation and Sale Placed Under Control.—Importation of seeds and the domestic sale of imported seeds have been placed under governmental control by Law No. 781 of the Dominican Republic, dated December 28, 1944, and published in the Gaceta Oficial of January 13, 1945.

The control is directed by the Secretary of State for Agriculture, Industry, and Labor, who is charged with keeping a register of all importations and sales of seeds, and of stocks on hand. Importers must obtain import permits from the Secretary of State for Agriculture, giving on the applications the quantity and kinds of seeds and showing invoices, and submitting specimens for tests of germination. The permit for importation and sale shall specify the date up to which the seeds may be sold. After the date specified, sales permits may be renewed only after new tests of germination are made by the controlling authority. If seeds have lost their power to germinate, their confiscation and destruction shall be effected under authority of the directing agency. The Executive Power is charged with the regulation of the sale of seeds domestically produced.

Ecuador

Tariffs and Trade Controls

Beasts of Burden: Exportation Restricted.—The exportation of horses, asses, and mules from Ecuador without prior authorization of the Minister of National Defense has been prohibited by an Executive decree, published in the Ecuadoran press of March 23, 1945.

El Salvador

Tariffs and Trade Controls

Rice, Cacao Beans, and Sole Leather Temporarily Exempted from Import Duties and Other Charges.—Rice, cacao beans, and sole leather imported into El Salvador are exempted from import duties, taxes, assessments, and all other charges, municipal or not, by Legislative Decree No. 3, published and effective February 26, 1945. This exemption applies to the enumerated commodities at present in customhouses and to imports thereof made up to June 30, 1945. The Executive Power is authorized, through the Committee of Economic Coordination, to subject these commodities to price control and to grant permission for their importation.

This action was undertaken because of the scarcity and consequent rise in price of the products involved and the fact that domestic resources are insufficient to meet demand.

French North Africa

Tariffs and Trade Controls

Restoration of Limited Private Export Trade to Algeria, Tunisia, and French Morocco.—An initial list of items for exportation from the United States to French North Africa (Algeria, Tunisia, and the French Zone of Morocco) through private commercial channels has been agreed upon between the United States and French Government economic services as eligible for return to commercial channels under agreed supply programs in the second half of 1945, according to a joint announcement made in Washington April 30, 1945.

The list of items returned to private trading for this area constitutes the major proportion of the value of the trade with the United States and includes the following categories of goods:

Specialized milk preparations, lactated flour; spermaceti; glues, gelatin; shellac; soap and toilet preparations; explosives and detonators; manufactured rubber products; cotton sewing thread, cotton twine for fishing nets, binder twine; linoleum, oilcloth, im-

pregnated fabrics; paper and paper products;

Hydraulic cement, processed magnesia, flints, graphites, and carbons, industrial diamonds, talc and other nonmetallic mineral products; abrasives, wheels, powder, and cloth; asbestos products, linings and facings (short fiber); glass products, glass powder, porcelain, pottery, fire brick, and clay;

Iron and steel products, wire, nails, tacks, bolts, nuts, and rivets, only when for railroads, mines, and special industrial requirements; certain iron and steel castings and forgings, stoves and heaters, needles, chains, scales and balances, tool-bit blanks, and lined steel tanks; ferro-alloys; brass products (except tools and hardware); lead sheets, pipes, and plates; zinc sheets and wire;

Electrical machinery and apparatus; industrial machinery, agricultural machinery and implements, automotive and other transport equipment, and parts; bottling equipment; fire-fighting equipment; scientific and professional instruments, musical instruments; refrigerators; toys, athletic and sporting goods; fishing tackle; clocks, watches, and jewelry; miscellaneous office supplies; and miscellaneous items, including buttons, lamps, plastic goods, and trunks.

The French have reserved the right to purchase individual items on this list when the local French government is the consumer. This list, with other relevant supply data, will henceforth be available to interested commercial firms in the United States through the Department of Commerce and its field offices, and in the French areas concerned.

Private traders are cautioned to bear in mind the restrictions and procedures set forth in this announcement which will be necessary for the time being to assure French North Africa of an adequate and regular flow of critically needed civilian supplies within anticipated ocean-transport limitations.

The initial list of imports into French North Africa now open to private trade includes categories which are considered to be in both long and short world supply. Where a condition of comparatively free supply exists, importers in French North Africa will be permitted to select their own sources of procurement as between the United States or other countries. On such items, French North African importers, having chosen the supplier, apply to their local French authorities for an import license during the quarter or semester in advance of the expected period of procurement and delivery from abroad. Issuance of such import licenses will include authorization of foreign exchange necessary to complete the transaction, and the importer will be free thereafter to complete his own financial arrangements as in normal commerce. Export licenses in the United States for French North African territories will be validated only if they properly identify the French import license which has been issued to cover the transaction.

The same general procedure will apply to commodities in short supply. Sources of procurement for these items, however, are predetermined, and allocations, usually on a quarterly basis, are made in these categories to the French authorities in order to insure maintenance of essential services and activities in the French North African civilian economies. Where such categories are now reopened to private trade, import licenses, covering a specific loading area, will be issued by the local French authorities up to the amount of the allocation anticipated and sufficiently in advance of the allocation period to permit the completion of commercial arrangements by the importers and the filing of the export license in the United States for the continuance of the location. If applications for deliveries under private trade do not exhaust a given allocation of an item in short supply within a reasonable time prior to its expiration, the French Supply Council reserves the right to purchase against such an unused allocation balance in its discretion and in order to avoid losing a claim on available commodities urgently needed in French territories.

Private trade shipments licensed from the United States for French North Africa will be coordinated by the French Supply Council. The continuing uncertainty and security control of shipping availability, and the resulting changes in the priority of French civilian needs, make such coordination essential for the present. The Foreign Economic Administration will cooperate with the French Supply Council in this country in keeping United States exporters currently informed of the nature of these emergency forwarding procedures.

Improvements in present communication and travel facilities are constantly being sought by both governments on behalf of commercial interests. The United States consular offices in French North Africa have been staffed with economic and commercial representatives to service foreign trade interests through the Department of Commerce. Attention is directed to the fact that General License No. 90, issued by the United States Treasury on April 14, removes all freezing control restrictions on trade between the United States and French territories, subject only to certain conditions stated in the license.

A similar announcement will be publicized in French North Africa with appropriate additional explanatory data on local procedures, of which a summary will appear in the FOREIGN COMMERCE WEEKLY as soon as it is received.

The list of items for exportation will be subject to additions after further consultation and experience in the areas concerned. It is issued now in the present limited form in order to inform trade circles in advance of items which will be returned to normal commercial channels beginning with the second half of 1945, at which time all United States Government participation in the procurement of civilian supplies for French North Africa will cease.

Gift Packages Subject to Import Duties and Taxes in French Morocco; No Import License Required.—No import license is required in the French Zone of Morocco for gift packages sent from an individual in the United States to an individual in French Morocco, according to information furnished by authorities in Casablanca, Morocco, on April 18, 1945.

The following ad valorem duties apply to gift shipments:

Perfumes, jewelry of gold or silver, watch cases of gold or silver, and precious stones, raw silk, natural silk cloth, part natural silk cloth (exclusive of rayon and linings and trimmings of clothing), 7½ percent;

All other goods except tobacco and tobacco products, 12½ percent.

Tobacco and tobacco products are subject to five separate taxes, amounting to a prohibitive levy to prevent infringement on the State Tobacco Monopoly, as follows:

Two and one-half percent ad valorem based on price at origin;

Fifty-five percent ad valorem based on retail price of equivalent products sold by the State Monopoly;

Flat rate of 49.27 francs per 100 kilograms;

Stamp tax of 1 percent of the combined amounts of the above taxes; and

A flat rate of 200 francs per 1,000 cigarettes, or 100 francs per 100 cigars, or 150 francs per kilogram of pipe tobacco.

Gift Packages Subject to Import Duties and Taxes; Import Licenses not Required in Tunisia.—Gift packages sent from an individual in the United States to an individual in Tunisia do not require an import license in Tunisia, according to information furnished by authorities in Tunis, Tunisia, on April 13, 1945.

Import duties are applied to particular commodities in accordance with the Tunisian customs tariff, and, whether the rates are specific or ad valorem, range from approximately 15 to 20 percent of the value of the article.

Import taxes total 5.05 percent ad valorem and include the uniform customs formality tax of 4 percent, the varying artisanal tax of about 1 percent and the Foreign Commerce Office tax of 0.05 percent.

French West Africa

Tariffs and Trade Controls

Restoration of Limited Private Export Trade to French West Africa.—An initial list of items for exportation from the United States to French West Africa

through private channels has been agreed upon between the United States and French Government economic services as eligible for return to commercial channels under agreed supply programs in the second 6 months of 1945, according to a joint announcement made in Washington on April 30, 1945.

It is estimated that approximately 90 percent of the exports from the United States to French West Africa will come under private trade during the second half of 1945. Instead of enumerating the items on this initial list, therefore, it is necessary here only to state the principal categories of goods still remaining under procurement by the French Supply Council. These are as follows:

(1) Animals and animal products, edible (this is not one of the principal factors in the trade);

(2) Certain vegetable foods, especially rice, wheat flour, cereal foods, and sugar (these are much larger in amount but involve products presenting special procurement problems here);

(3) Miscellaneous items of which the colonial Government is the consumer (post offices, telegraphs, railway stations, medical and sanitary services, meteorological use, etc.) (most of the individual items are small, but make up a fairly sizable aggregate); and

(4) Combined private and Government trade items. There are a number of items which the Government consumes in part or of which it is in part the distributor for emergency purposes. In these cases orders may be received by American exporters both from private individuals and from the Supply Council for the colonial Government.

It is not possible to give out full information as to the amount of business that may be expected under private trading. It may be expected, however, to reach several million dollars in the second half of 1945.

The French have reserved the right to purchase individual items on this initial list when the local French Government is the consumer. This list, with other relevant supply data, will henceforth be available to interested firms in the United States through the Department of Commerce and its field offices, and in French West Africa.

Private traders are cautioned to bear in mind the restrictions and procedures set forth in this announcement, which will be necessary for the time being to assure French West Africa of an adequate and regular flow of critically needed civilian supplies within anticipated ocean transport limitations.

The initial list of imports into French West Africa now open to private trade includes categories which are considered to be in both long and short world supply. Where a condition of comparatively free supply exists, importers in French West Africa will be permitted to select their own sources of procurement as between the United States and other countries. On such items, French West African importers, having chosen the supplier, apply to their local French authorities for an import license during the quarter or half-year in advance of the expected period of procurement and delivery from abroad. Issuance of such import licenses will include authorization of foreign exchange necessary to complete the transaction, and the importer will be free thereafter to complete his own financial arrangements as in normal commerce. Export licenses in the United States for French West African territories will be validated only if they properly identify the French import license which has been issued to cover the transaction.

The same general procedure will apply to commodities in short supply. Sources of procurement for these items, however, are predetermined, and allocations, usually on a quarterly basis, are made in these categories to the French authorities in order to insure maintenance of essential services and activities in the French West African civilian economies. Where such categories are now reopened to private trade, import licenses, covering a specific loading area, will be issued by the local French authorities up to the amount of the allocation anticipated and sufficiently in advance of the allocation period to permit the completion of commercial arrangements by the importers and the filing of the export license in the United States for the continuance of the allocation. If applications for deliveries under private trade do not exhaust a given allocation of an item in short supply within a reasonable time prior to its expiration, the French Supply Council reserves the right to purchase against such an unused allocation balance in its discretion and in order to avoid losing a claim on available commodities urgently needed in French territories.

Private trade shipments licensed from the United States for French West Africa will be coordinated by the French Supply Council. The continuing uncertainty and security control of shipping availability, and the resulting changes in the priority of French civilian needs, make such coordination essential for the present. The Foreign Economic Administration will cooperate with the French Supply Council in this country in keeping United States exporters currently informed of the nature of these emergency forwarding procedures.

Improvements in present communication and travel facilities are constantly being sought by both Governments on behalf of commercial interests. The United States consular offices in French

New Foreign-Travel Developments

The French Provisional Government has agreed to issue a French visa to any American businessman holding a regular passport upon receipt of a letter from the Passport Division of the Department of State stating that his presence in France (1) will serve the national interests of the United States and/or France by the resumption of economic or other activities disrupted by the war, or (2) materially aid France in meeting its essential requirements for civilian consumption and reconstruction. The Passport Division mails most of these letters to the French Commercial Attaché at 934 Fifth Avenue, New York City, where a businessman from any part of the country can present his passport book and obtain a French visa before departing for France. The letter can be sent to the French Embassy in Washington if the businessman desires to obtain the visa there. An American citizen in London can obtain a French visa there if letters of authorization are issued by the American and French Embassies.

After VE-day, thousands of soldiers will return to the United States on military planes. After each west-bound flight many of the military planes will return to Europe without passengers. American businessmen, for several weeks, will have unlimited space on planes to Europe. The military planes may then be transferred to the Pacific in large numbers. It is expected, however, that space on ships to Europe will be available for some months to come.

The amendment to Executive Order 9492 permitting holders of "national interest" air priorities to travel on planes of civil air lines went into effect on April 19. As a result, several businessmen departed via American Export Airlines on April 27 without the inoculations required on military planes. After May 10 it is expected that this line will have three flights weekly to the River Shannon, Foynes, Ireland, with immediate return to New York. At present, the return is via Bathhurst, British West Gambia, and the West Indies, a longer route. It is also expected that the clipper planes of this line, after May 10, will stop to refuel at Newfoundland, thus permitting as many as 16 passengers. At present, on the nonstop flight to Ireland only 9 to 12 passengers are carried. Some nonpriority space may be available on civil air lines to Europe after the middle of May.

Each passenger is allowed 55 pounds of baggage on civil air lines, 65 pounds on military planes, and 175 pounds on U. S. Lines ships. Airplane passengers may ship excess baggage on U. S. Lines vessels. It is desirable to crate such excess baggage, as it frequently lies on European docks for several days owing to wartime transportation conditions.

Return transportation has not been difficult in recent months. After VE-day, however, the large passenger liners will probably be filled with returning soldiers. West-bound commercial travelers may obtain accommodations on civil air lines, War Shipping Administration cargo ships, and Portuguese, Spanish, or Norwegian ships. In case a considerable number of Americans become stranded, it is likely that the Department of State and the War Shipping Administration will take action to move them, although the Army, which controls all War Shipping Administration vessels, will make no promises at this time.

West Africa have been staffed with economic and commercial representatives to service foreign-trade interests through the Department of Commerce. Attention is directed to the fact that General License No. 90, issued by the United States Treasury on April 14, removes all freezing control restrictions on trade between the United States and French territories, subject only to certain conditions stated in the license.

A similar announcement will be publicized in French West Africa with appropriate additional explanatory data on local procedures, a summary of which will appear in FOREIGN COMMERCE WEEKLY as soon as it is received.

The list of items for exportation will be subject to additions after further consultation and experience in the areas concerned. It is issued now in the present limited form in order to inform trade circles in advance of items which will be returned to normal commercial channels beginning with the second 6 months of 1945, at which time all United States Government participation in the procurement of civilian supplies for French West Africa will cease.

India

Transport and Communication

Freight Carloadings.—Freight carloadings of the Indian Railways increased by 6.76 percent on the broad-gage and by 16.9 on the meter-gage in January 1945, compared with January 1944.

From April 1944 to January 31, 1945, freight carloadings were higher by 3.65 percent on the broad-gage and 10.2 percent on the meter-gage.

Mexico

Tariffs and Trade Controls

Quinine Salts Placed Under Government Control.—Quinine salts of all kinds have been placed under the exclusive control of the Ministry of Health in Mexico, according to an Executive decree published April 9, 1945, and effective the following day. This control prohibits the exportation of quinine salts of all kinds and free domestic trading by private individuals in quinine sulfate, chloride, hydrochlorsulfate, and ethylcarbonate. It also freezes all stocks of these salts and requires the delivery thereof to the Office of the Antimalarial Campaign of the Ministry of Health, the owners to be recompensed at import costs plus 10 percent. The decree provides that all uses of these salts shall be under the supervision of the Ministry of Health and establishes the penalty of confiscation for violation of the prohibitions mentioned above. The purpose of this control measure, as indicated in the preamble to the decree, is to replenish depleted stocks of quinine in the Ministry of Health, to prevent future hoarding and speculation by private individuals, and to make better use of available supplies in the Government's antimalarial campaign. Quinine and other alkaloids of quinine and their salts have required an export permit from the Ministry of Finance since July 4, 1944.

[For previous announcement of export control of quinine salts see FOREIGN COMMERCE WEEKLY of August 5, 1944.]

Reform in Tax Law Covering Consumption of Gasoline.—Producers of gasoline and regular importers in Mexico whose installations in the country are sufficient to guarantee the payment of the consumption tax on gasoline are required, according to an Executive decree published April 11, 1945, and effective 3 days later, to file special reports each month with the Department of Special Taxes, Ministry of Finance. These reports, due not later than the 20th of each month, are to contain a declaration of the volume of gasoline imported into the country or taken out of the refineries during the previous month, and specifying the quantities sent to each of the States for their consumption. Copies of this declaration must be sent also to the governments of the respective States and Territories to which the producers and importers have shipped gasoline.

Venezuela Plans Large-Scale Post-War Immigration

Venezuela is ready to admit a large number of European refugees—the figure said to include 1,000 Italian families—for assimilation chiefly into the agricultural needs of the country, Mrs. Celine Rott de Neufville, representing several refugee organizations, said upon her return to New York from a trip to Venezuela.

The Venezuelan Government has reported that future immigrants will be colonized southwest of the capital, Caracas, in the State of Cojedes. Each parcel of land consists of 24 acres, to be sold the colonists at $600, which sum may be paid by the occupants themselves or by relatives in the United States. Venezuelan banks will cooperate in making loans for equipment, livestock, and the like.

It is estimated that 150 years ago Venezuela had a population greater than Canada, Cuba, Argentina, or Uruguay, but today it numbers only 3,839,747. For a number of years, Venezuelan agriculture has suffered from a steadily decreasing movement of population toward that field.

The growth of the petroleum industry has naturally caused a flow of workers toward better-paying jobs in oil fields, with the result that Venezuelan economists view as somewhat "alarming" the downward tendency of its agricultural industry.

They feel that the country, with its small population, must base its national economy on sound agriculture, with the development of light, interrelated industries (offering diversity) and other means of subsistence.

Economic leaders point out that the introduction of persons of healthy, industrious European stock, long habituated to tilling the soil, and desirous of establishing new homes for their families, would contribute much toward stabilizing the national economy of the country.

The Venezuelan Government is making every effort to encourage people to turn to agriculture, through financial aid to farmers, experimental farms distributing free seeds and furnishing instruction to farmers, and through development of transportation systems.

Newfoundland

Economic Conditions

CONDITIONS IN 1944

The year 1944 commenced with business in the full swing of wartime prosperity. During the last half of the year, however, there was sufficient decline in retail trade (about 5 percent, according to bankers) to indicate that the boom had passed its peak. This was mainly due to reduced purchasing power brought about by a lower total income from employment. Supplanting the prosperous period of military construction days with attendant high wages, a reversion to normal pursuits, such as fisheries and logging, began. Moreover, a considerable portion of the income of persons recruited for work abroad had been spent in Canada and the United States.

In retail trade, the price factor became more evident, and purchases were frequently reduced or postponed because of the high mark-up. The problem of price inflation, which reached a peak in May 1944, perhaps occupied chief attention during the year. Reorganization of government agencies controlling the importation and distribution of supplies from abroad was continued during the year, resulting in more orderly delivery and more equitable distribution of supplies. A system of price mark-ups introduced in October, and the slight business recession, resulted in some decline in prices during the latter half of the year.

Most mercantile houses reported that receivables on open account were unprecedently low as an aftermath of the boom conditions experienced during the preceding 3 years. There was also some evidence of sustained efforts to substitute cash purchasing in fishery supply for the now outmoded and much abused credit policy of traditional origin. Trade acceptances continued to receive prompt attention with very little indication of any renewals, and the need for banking accommodation was below normal.

Collections were good throughout 1944, and business failures continued to be few and unimportant. The number of

Transport Questions Loom Large in Problem of Wheat Supplies for Liberated Europe

The problem of meeting the urgent needs of liberated Europe for wheat is one of *movement* rather than supply, since world supplies of wheat exceed all requirements by more than 300,000,000 bushels, says a new report by the U. S. Interagency Committee on Foreign Shipments.

Presently stated requirements of liberated Europe in 1945 for wheat and flour amount to about 375,000,000 bushels. In addition, the requirements of the United Kingdom and other countries importing wheat from North American supplies amount to another 275,000,000 bushels.

Unless quantities of wheat substantially identical with the stated requirements of the liberated areas are furnished, the food situation in Europe will become most critical, particularly in view of the difficulty which has been encountered in making sufficient quantities of other food products available. Measures are being taken to move 200,000,000 bushels of United States wheat and approximately 85,000,000 bushels of flour (wheat equivalent). The Canadian Government is furnishing 300,000,000 bushels of wheat and about 60,000,000 bushels of flour during the remaining period of 1945, to liberated areas and other importing countries.

The movement of these quantities of wheat and flour will place a heavy burden on United States and Canadian railroads. It may result in some delays in the movement of other products. Since the movement of wheat and flour to meet the needs of liberated Europe and the movement of essential military and civilian supplies will place a heavy burden on the railroads, constant and energetic attention is required in order to obtain the most effective use of our transportation to achieve this program, says the Interagency Committee.

The lack of port intake capacity for bulk grain and the disruption of inland transportation in Europe are also difficulties which must be overcome, if the stated requirements of liberated Europe are to be met. Bags and bagging facilities in North America are not available to handle this large volume of wheat. Port intake capacity for bulk grain in Europe must be expanded substantially to meet this program.

business failures increased to 10, with total deficits of $36,002, after a steady decline to 4 in 1943, with deficits of $15,750.

Savings deposits in 1944 amounted to $59,503,468, an increase of about 12 percent compared with 1943, while other deposits exhibited an even greater increase, from $30,892,881 to $37,602,088.

Fisheries Outlook

Production of the codfishery, which declined sharply during the wartime construction boom, came close to 1939 levels, and showed a marked increase in the fresh-frozen method of exporting. The catch of codfish salted in 1944 totaled 105,366,016 pounds, compared with 98,624,400 pounds in 1943, and 24,000,000 pounds were processed as fillets, compared with only 12,000,000 pounds in 1943. There are now 17 quick-freezing plants in operation, and the United Kingdom remains by far the largest market for their products. Employment in the codfishery reached a peak figure of 22,400 persons in 1944 in comparison with 17,600 in 1942. As many as 30,000 fishermen are engaged in codfishery in normal times, and at least one-third of the population, which has been around 300,000 for the past half century, are directly or indirectly normally dependent on this industry.

As in 1943, the 1944 output of salt cod was sold in advance of production through the operations of the Combined Food Board at a price highly satisfactory to producers. This was an incentive to many men to return to the fishery. The average price per quintal (of 112 pounds) paid to fishermen for "large merchantable," the market leader, increased from $9.50 in 1941 to $10.50 in 1942, $14 in 1943, and $14.25 in 1944.

Shortages of bait, engines, boats, and equipment and the absence of men in the Army overseas and of laborers recruited for projects in Canada and the United States restricted production in 1944. The present outlook indicates similar conditions in 1945, except that the supply of small marine engines has improved recently.

Although the value of dried codfish exports approximately doubled, volume fell off about one-third from 1940 to 1944 (fiscal periods). The war has temporarily dislocated important markets, such as Greece and Italy, but it is believed that with the liberation of the occupied countries of Europe there will be a revival did so in 1944, and was granted a quantities of salt bulk codfish. Brazil, which in 1943 did not make application to the Combined Food Board for an allocation, did so in 1944, and was granted a quantity, the greater part of which is being supplied by Newfoundland. It is hoped that this will herald the revival of Brazil as an important market for Newfoundland salt codfish. Pre-war shipments of several million pounds to Brazil dropped to nothing in 1943, and amounted to 2,057,888 pounds in 1944.

Principal markets during the present war period have been Portugal, Jamaica, Puerto Rico, Spain, and sundry islands of the West Indies.

There is much speculation regarding the prospects of the codfishery in the postwar area. At present, the mechanism set up to handle world food supplies makes the fish business a simple matter of routing shipments as directed, but the situation will be more complex when all regulations are suspended. Normally, salt codfish is well down the list of desirable food products in world markets. Deflation will reduce the price of codfish, and local production costs have always been comparatively high. Competition is likely to be keen when countries now out of the picture again go into production. Newfoundland exporters are not unmindful of the slump which hit the industry immediately after the last war. The trend to fresh-frozen fish offers possibilities, but the principal market of the United Kingdom may disappear at the end of the war. The Newfoundland government has already officially declared its intention to assist reorganization of the fresh-fish industry in the immediate postwar era by an investment of $4,000,000, but full details of this proposed scheme are not yet available.

Recent trends in subsidiary fisheries are indicated in the following table showing the value of exports of herring, lobster, and salmon, for the past few years:

[In Canadian dollars]

Type of fish	1941 [1]	1942 [1]	1943 [2]	1944 [3]
Herring	$372,915	$566,655	$590,494	$1,283,005
Lobster	197,461	257,631	58,409	271,624
Salmon	510,017	333,242	97,157	349,259

[1] Fiscal year ended June 30.
[2] 9-month period ended Mar. 31.
[3] Full year ended Mar. 31.

Exports of fresh salmon were mainly to the United States and Canada, as this product is now under embargo as a luxury in the United Kingdom, the principal pre-war market. Shipments of live lobsters, as usual, were wholly to the United States market.

In December 1944 a contract was closed with UNRRA to supply up to 100,000 barrels of hard cure split herring before June 15, 1945. This contract is expected to result in nearly $2,000,000 worth of business for the herring industry.

Exports of fish oils in the calendar year 1944 were valued at $1,598,743, an increase of 50 percent compared with 1943. There was a decline of about 15 percent in cod oils and a sixfold increase in herring oil and whale oil. In September 1944 the factory of the Newfoundland Dehydrating Process Co., Newfoundland's largest supplier of herring oil, was destroyed by fire. The company plans to build a new plant, but there is no possibility of having the plant in operation during the next two seasons.

Newsprint Production Restricted

The newsprint industry has a decided effect upon the country's economy, being the sole business of two thriving towns, Grand Falls and Corner Brook, and providing full-time employment for some 8,500 people at the peak season and 5,000 at the low season. In common with many other industries, the paper mills have suffered the effects of wartime conditions, such as labor shortage, lack of shipping facilities, market restrictions,

price control, and rising production costs.

The year 1944 was not very favorable for work in the woods mainly because of weather conditions. The labor supply improved as compared with the 2 preceding years, but not to the extent expected or desired. The manpower situation in this industry has continued to remain acute. Every effort was put forth in 1944 to improve and stabilize working conditions for the men engaged in the cutting of wood, and a standard wage of 45 cents per hour was set.

There are two companies manufacturing newsprint in Newfoundland. One company reported operations at approximately 80 per cent of capacity compared with 85 percent in 1943; lack of raw materials, particularly of pulpwood as a result of the shortage of labor for cutting in the summer and fall of 1943, resulted in curtailed operations in the early part of the year, but the situation was easier in the latter part. The other company reported newsprint production at 99.4 percent for the first 9 months of the year, but a drop in sulfite production to 44.7 percent. The estimated wood cut for both companies is substantially in excess of 1943 levels, but remains at less than the requirements for full-time operation of the mills. Newsprint, sulfite, dry baled sulfate, ground wood, corrugating board, wrappers were produced for export, and after November 1944, with the completion of new installations, the production of laminated board was begun.

The outlook for 1945 in the pulp and paper industry warrants moderate optimism. Despite uncertainties, a reasonable-to-good demand is expected for pulp and paper products. The demand is now being supplied with difficulty because of shipping conditions and high costs, but the main cause is the shortage of manpower. A complete solution is not anticipated before the end of the European war.

Mining

During 1944 the iron-ore mine on Bell Island produced 462,000 long tons of ore, and 585,470 tons were shipped abroad. The mine worked 165 days during the year. Although the year began with heavy stockpiles, by December these had been reduced to 50,000 tons, and a working week of 4 days had been guaranteed until March 31, 1945.

Operations in the lead-zinc-copper mine continued at capacity throughout 1944. The 305 500 short tons of ore mined during the year produced 42,000 short tons of lead concentrates, 18,000 short tons of copper concentrates, and 99,000 tons of zinc concentrates. During the year the price on zinc concentrates was increased, and labor conditions on the whole were easier—which aided materially in improving the position of the company.

Production of fluorspar has been materially reduced as a result of the cancelation of war contracts. No pyrophyllite was mined in 1944, although some exports were made from stocks on hand. The limestone quarries operated at capacity, producing 339,919 tons during the year.

Agriculture Continues Gradual Expansion

The present agricultural position in Newfoundland may be summed up by the statement that production of root crops and livestock now approximates $12,000,000 (Canadian) annually, exports are practically nil, and imports of farm products amount to as much as $8,000,000. There is reasonable ground for optimism regarding agricultural progress in the post-war economy of the island, because of the ready accessibility of arable land sites in the interior, as a result of defense construction, and the government's tentative plans for reestablishing returned servicemen on the land.

A statute known as the Land Development Act was passed on May 11, 1944, providing for the establishment and administration of land development areas. For a serviceman or member of the forestry unit of the military, 10 acres of land will be cleared and a dwelling house constructed before he is settled. The settler will be given assistance in the erection of a barn, and will also be provided with foundation livestock, farming implements, and seeds and fertilizer for the first year's operation. A civilian will be given the same assistance in modified scale, but his land may not be cleared in advance of his settlement.

One of the greatest obstacles in the development of agriculture in Newfoundland is the scarcity of cleared land. The Department of Agriculture, in order to encourage the land development scheme, now provides mechanical assistance and 380 acres of land were cleared in 1944.

Potatoes, turnips, carrots, beets, and cabbages are the principal market crops, and all were disposed of at good prices. Wild blueberries are the only export product. Production varies widely from year to year, depending upon the weather and availability of labor. Production in 1944 was 750,000 pounds, compared with a normal production of between 5,000,000 and 6,000,000 pounds. The outlook for 1945 is good because it is anticipated that more labor will be available.

Manufacturers Operate at Capacity

Although manufacturing is limited because of the small market, factories operated at capacity during 1944, despite scarcity of equipment and allocation of manufacturing requirements. The canning industry has shown some signs of progress during the past year, and it is anticipated that this industry will develop into a profitable enterprise, especially in connection with the canning of salmon, herring, cod, lobster, other fish products, and game and wild fruits.

Construction Strong, Despite Supply Difficulties

It is estimated that between $4,000,000 and $5,000,000 was expended by the government on public works in 1944. The St. Johns Housing Corporation began its program for the northern suburbs of the city on October 25, when the first sod was turned marking the beginning of a three-village project. (See Foreign Commerce Weekly of November 25, 1944.) A large program of marine works was carried out in 1944. Fifty-nine

U. S. Merchant-Ship Masters Commended for Splendid Performance in Convoys

The efficiency with which American merchant ships have participated in smooth functioning of ocean convoys carrying supplies to the fighting fronts has brought warm commendation from a veteran Navy convoy commanding officer, the War Shipping Administration reported today.

In a letter to Vice Admiral Emory S. Land, USN, retired, War Shipping Administrator, Capt. E. H. Tillman, U. S. N. said:

"Sometimes I have been able to signal a 'Well Done' to express my appreciation to the masters of these vessels for their fine work before the convoy has dispersed, but more frequently fog or other circumstances have made this impracticable. Therefore, this means has been utilized to express to you, for them, what I was unable to do directly."

Captain Tillman said that the first convoy of which he was in command sailed from the United States March 18, 1942, "and I have been at it ever since."

"As you know," Captain Tillman continued, "in peacetime the Navy and the Merchant Marine have little close contact with each other. Frankly, I wondered how smoothly the convoy system would function, and probably the masters were wondering the same thing. It is a pleasure to state that there was no reason for any misgiving. Ever since the beginning I have received such wholehearted and fine cooperation, consideration, and courtesy from all masters that my experiences have been very educational and such that I shall remember them most pleasantly.

"Aside from the masters themselves, I believe there are few people who realize more thoroughly than convoy commodores the many problems with which they are faced and the heavy burden of responsibility they have been carrying. While instructions cover most situations, when an attack, fog, or hurricane is encountered nothing can take the place of the good judgment, good seamanship, and splendid cooperation displayed by the masters. A convoy commodore may be able to prevent or alleviate a bad situation, but there are times when only the ability of the masters themselves and a guiding Providence prevent serious casualty. As a result, the masters have my sincere respect and admiration."

major and 40 small projects having to do with wharves, breakwaters, and launch ways were accomplished at a cost of approximately $250,000. Private building construction in St. Johns totaled more than 1,000,000 during the year, not including any work connected with military or naval establishments.

Improvement in Transportation

The transportation system, both rail and steamer, continued to be pressed by the large volume of traffic, which kept well up to the preceding year. Service on the railway was greatly improved by the addition of new pullmans, diners, and passenger coaches. Operating expenses as well as operating revenues increased as compared with the previous year, resulting in a small net revenue. Arrangements have been completed for new construction and the acquisition of more new rolling stock in 1945. Local coastal transportation was criticized because of inadequate service, old ships, and high operating costs.

The shipping situation in 1944 was easier than in 1943, and, despite fewer arrivals, cargo was moved with much less delay than in the preceding year. Freight rates were considered to be high. Some reduction was made during the year in rates on coal and salt, and loading time before demurrage would apply was extended to 7 days. Demurrage charges had caused a considerable increase in the cost of coal to consumers.

Despite the usual handicaps and delays caused by the weather, air transportation provided by Trans-Canada Airlines maintained a satisfactory record in 1944, carrying more than 12,000 passengers and 85,000 pounds of mail. The summer service from Botwood operated by Pan-American, American Export, and British Overseas Airways Corporation closed a successful season in October.

Commodity and Price Control

Reorganization of government agencies that control the importation and distribution of supplies from abroad was continued during 1944, and a number of experienced employees were obtained from the British Government. As a result there was more orderly delivery of supplies at regular intervals and more equitable distribution throughout the island. On April 1, 1944, the Food and Price Control Division was removed from the Department of Public Health and amalgamated with the Supplies Division of the Department of Public Works, thereby creating a new entity known as the Department of Supply. This Department thus became responsible for all matters covering procurement, distribution, and rationing of all supplies, price and rent control, and government purchases.

The most important regulations promulgated by the Supply Office were (*a*) the Control of Export Regulations which prohibited the export of textiles from Newfoundland, to prevent persons from abroad from buying quantities of wearing apparel to take back to their homes, thus reducing local stocks of textiles, and (*b*) the Price of Goods Order of October 11, 1944, which established for the first time a limit to the profit that merchants may demand for certain lines of merchandise.

The Department of Supply experienced more cooperation by importers in the execution of control regulations than in previous years, although members of the textile group objected to wartime controls on the ground of government red tape. On the whole, the control system, both at the sources of supply and in distribution in Newfoundland, has worked more successfully than in any previous year.

The provision of food supplies for Newfoundland was the subject of a joint agreement between Canada and the United States which was concluded in 1943, and extended for another year at a conference at Ottawa on February 23, 1944. The allocations made at Ottawa were on the whole received with satisfaction by the Newfoundland delegation. Toward the end of 1944 shortages occurred in sugar, pickled beef and pork, dried beans, and certain varieties of canned vegetables and fruits, but in most cases it was found that the combined allocations from the United States and Canada were sufficient if Newfoundland importers had been willing to take up the entire quotas from each source.

The failure of textile importers to cooperate with the Department of Supply resulted in some delay in the granting of import permits. The shortage of many lines of textiles was intensified toward the end of the year, but could not be deemed serious. Again it was found that local importers were reluctant to take the full quota from each country because of a difference in prices.

The next most important group of supplies consisted of equipment for the fisheries. During 1943 nearly all kinds of marine engines, cordage for making nets, and ship hardware were in extremely short supply, but by the summer of 1944 conditions began to improve. By December a fairly good supply of small marine engines was forthcoming. About the same time a local plant of limited capacity began the manufacture of small marine engines, which should assist the fisheries as soon as production increases.

The Highroads Department of the Newfoundland Government has been seriously handicapped in their road-building program on account of their inability to obtain tractors which have been on order since the spring of 1942.

The cost of living in Newfoundland is high even in peacetime, largely because of the necessity of importing the major share of necessities over high import duties. The rise in the cost of living has been more rapid than in Canada and the United States, in part because of the addition of ad valorem duties and increased shipping costs to higher prices and also because of the earlier failure to exercise effective price control.

Until the summer of 1944 the Newfoundland Government had accomplished singularly little in the field of price control. Even rationing, usually the first and simplest device of price control to which countries have resorted, has been utilized on a strictly limited scale. The only important items rationed have been tea, coffee, sugar, tinned milk, footwear, and motor tires which have not been available except in high-priority cases. Even the items on ration have been quite liberally allocated and little hardship has been experienced. All of the above-mentioned items were rationed as early as 1943 with the exception of footwear which was made subject to rationing in February 1944.

By the end of 1943, prices had reached such startling high levels that plans were studied for complete price control. Typical prices were: Bread, 14 cents; milk, 30 cents a quart; sirloin beef, 70 cents a pound; sugar, 12 cents a pound; tea 85 cents a pound. The price level had risen from 104.4 on October 1, 1940, to 161.7 on April 1, 1944 and 163.2 on May 4, 1944 (base: October 1, 1938=100).

In June 1944, a chartered accountant from the United Kingdom took charge of the division of the Department of Supply concerned with price control. A large number of items, mainly foodstuffs, in previous years had been made the subject of maximum price orders. In many instances, particularly in the case of imported articles, it had proved impracticable to apply maximum price orders, and a system of markups was introduced. Maximum markups were fixed in two stages (1) on landed cost of importer to retailer, and (2) on sale by retailer to consumer. On November 1 a markup order was applied to all foodstuffs except certain fresh fruits and vegetables. Application of the order to textiles and other commodities was under consideration at the end of the year. It is generally known that business profits in many instances have been excessive (direct tax rates are not high), and one object of the Government has been to attempt to restrict profit margins to about 15 percent.

Prices began to decline during the summer of 1944, partly as a response to government controls and partly owing to a slight business recession.

Foreign Trade Decreases Slightly from Record Level of 1943

During the fiscal year ended March 31, 1944, the value of the island's normal foreign trade, excluding transactions for the military forces amounted to $91,025,667. This is slightly less than the estimated value of foreign trade during the 12 months ended March 31, 1943, $94,123,947. (An estimate was necessary as the end of the fiscal period was changed to March 31 in 1943, instead of June 30 as previously, and only 9 months' trade was recorded.) Exports increased about $3,000,000 because the foreign demand for domestic produce was stimulated by the war, whereas imports declined approximately 06,000,000. The decrease in imports was due principally to shipping difficulties and to restrictions on trade imposed by exporting countries. Both of these factors diminished in importance during the calendar year 1944, and it is expected that the value of imports for the fiscal year ended March 31, 1945, resumed an upward trend. A part of the previous increase in the value of total trade was brought about by the abrupt rise in the general price level, which had

been arrested by the end of the fiscal year 1944.

Approximately 95 percent of the imports of Newfoundland during the war years have come from Canada and the United States; the value of imports from Canada has been about twice that from the United States. The United Kingdom has supplied more than twice as much as the remaining countries combined.

The United States continued to be the most important destination for Newfoundland's products during the fiscal year ended March 31, 1944, and was closely followed by the United Kingdom. The value of exports to the United Kingdom was more than double that of the estimate for the preceding 12 months and accounted for a large part of the increase in the total. A substantial part of the exports to the United Kingdom consisted of salted codfish and fresh cod fillets.

Government Revenue and Expenditures

During the first 9 months of the fiscal year ended March 31, 1945, government revenue amounted to $26,390,362, breaking all records for any 9-month period and approximating the amount collected for the entire fiscal year 1943–44. Customs revenues soared primarily because of the lessening of trade restrictions. Direct tax revenues topped all previous records. At the end of December 1944, surplus of revenue over expenditures stood at $6,137,212; the budget estimate for the fiscal year was $168,000.

Loans during the calendar year 1944 were largely confined to the issuance of War Savings certificates. Certificates in the amount of $600,000 were issued, bringing the total of War Savings certificates issued at the end of the year to approximately $3,000,000, the number of holders being about 60,000.

The issuance of War Savings certificates was discontinued effective December 31, 1944. The sale of these certificates was inaugurated in June 1940, with the object of providing funds to balance the budget. The proceeds of the sale were not required for this purpose, however, owing to the upward trend in revenue which began in 1940–41. The first $500,000 collected was used to make a gift to the United Kingdom for the purchase of aircraft for use by the Newfoundland squadron of the R. A. F., and subsequent proceeds were advanced as temporary interest-free loans to the United Kingdom, to be used for war purposes.

Financial legislation passed during 1944 included the Income Tax Consolidation Act and the Excess Profits Tax Act, both dated December 29, 1944. The first of these acts consolidated into a single law the original Income Tax Act of 1929 and 12 amendments made since that date. The second act consolidated the basic act of 1941 and two amendments passed thereafter. No new rates were imposed by either act, although both acts will operate to increase revenues by closing loopholes in the original tax laws.

The Special War Revenue Tax was removed from all foodstuffs on which it had not been removed in 1943, and on some additional items, including drugs, medicines, medical dressings, surgical and dental instruments, and cast-iron pipes.

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Nicaragua

Economic Conditions

Situation in 1944

Nicaragua's outlook in 1944 contained less assurance of economic welfare than in 1943 because of unfavorable factors which came to the fore during the year. Outstanding among these factors was the increasing rapidity of the rise in the cost of living. It replaced the shipping shortage of 1943, which has now shrunk to small proportions as a principal source of economic distress. Prices, which were forced upward by the short supply and inadequate distribution of many foods and manufactured articles, failed to respond to control measures instituted by the Nicaraguan Government. As a result, labor began a series of strikes for higher wages to meet increased living costs.

A serious drought on the western slope of the Continental Divide, which began the latter part of August and continued past the end of the year, reduced not only the domestic food supply but also the exportable surplus of practically all agricultural commodities except cotton. This, in turn, will reduce the quantity of foreign exchange available in 1945 to cover the country's import needs. During 1944 strict control was exercised over the limited amount of available foreign exchange in order to conserve it for the importation of items of economic necessity. The importation of items of which the country already had a sufficient supply was restricted. This policy had the effect of reducing foreign trade.

A new American-owned aviation company, Servicio Interamericano de Aviación, was organized in Nicaragua on January 24, 1944, and another, which is partially owned by American interests, Lineas Aéreas de Nicaragua (La Nica), was registered on October 10.

Gold-mining activity was slightly greater than in 1943, and an expansion in the mining and processing of gold and silver ore is expected when equipment and material become available. Rubber tapping was an important industry in 1944. In this respect the country is well covered at present and prospects for opening up new areas are slight. Sesame, which was not grown to any extent until 1937, was again the second agricultural export in 1944, despite a crop smaller by about 25 percent and an increase in domestic consumption.

Manufacturing is on a small scale in Nicaragua, but it showed some progress in 1944. Electric-power production increased by about one-third, and additional growth is expected in 1945. A private index of business activity indicated that such activity was greater during 1944 than in 1943.

Unemployment was at a minimum during the year. A continuous shortage of skilled workers and employable unskilled laborers exists—which is believed to place the few unions in the country in a strong position. The most important strike of the year, that of the Chauffeurs' Union, brought about wage increases in 31 labor classifications, effective December 17.

Foreign Trade

Nicaragua's foreign trade in 1944 fell below that of the record year 1943, but was estimated from figures for 11 months at the substantial total of $25,000,000, a decrease of approximately 14 percent from the total for 1943 of $28,970,237, but an increase of 18 percent as compared with the 1942 total of $21,098,870. Imports, estimated at $10,000,000, would have been much larger had the supply of foreign exchange been greater; although they were 26 percent less than the imports of 1943, they were nearly 50 percent more than those of 1942. The United States was the leading source of Nicaraguan imports, supplying commodities valued at about $7,600,000, or 76 percent of total imports. Mexico was the second source, supplying $700,000, or 7 percent, followed by Panama, Costa Rica, and Peru. The principal import commodities to show declines as compared with 1943 were cotton textiles, which decreased in value by 53 percent; paper products, 40 percent; gasoline, 38 percent; chemical and pharmaceutical products, 33 percent; and iron and steel products, 26 percent. On the other hand, imports of flour increased by 58 percent and lubricating and fuel oils by 12 percent.

Exports were estimated from figures for 11 months at about $15,000,000, the next highest on record, having been surpassed by the value of 1943 exports by less than 3 percent. The United States was the principal market and the destination of what may be a record value of about $13,600,000, or approximately 90 percent of total exports in 1944. Panama was the next most important destination; Cost Rica, third; Mexico, fourth; and Peru, fifth.

Finance

The 1944–45 budget of $10,822,974 (United States currency) represented an increase of 20 percent compared with that of 1943–44. During the past 8 years the Government has increased its budget from $975,247 to the above amount without experiencing any difficulty in balancing revenues and expenditures. Increased taxes, which have provided the necessary additional revenues, have met with little opposition.

Nicaragua's public debt was estimated at approximately $5,300,000 at the end of 1944, it consisted of the external consolidated 1909 bonds of about $1,800,000; 1937 Treasury certificates of about $220,000; the internal floating debt of approximately $86,000; and two Export-Import Bank loans totaling about $3,200,0000.

The stabilization fund of the Nicaraguan National Bank held the equivalent of $6,674,491 in gold and exchange on December 30, 1944, compared with $7,452,704 on December 31, 1943, or more than 9 percent less than a year ago. The fund had held, on June 17, 1944, the amount of $9,807,462, but the arrival of substantial quantities of commodities

ordered during the preceding 12 to 24 months reduced the large balance.

In accordance with the policy of the National Bank to increase, by purchase, the proportion of gold in the total gold and exchange holdings of the stabilization fund, gold holdings of the fund rose from $3,023,516, or 41 percent of total gold and exchange assets on December 31, 1943, to $4,867,345, or 73 percent of its holdings on December 31, 1944. About 98.4 percent of the gold in the fund at the end of the year was on deposit in New York, the balance being in transit to that city.

It is believed that the six banking institutions of the country—three owned by the Government and three privately owned—made profits during 1944. Of these, by far the most important is the National Bank of Nicaragua. The exporting and importing department of the National Bank, the Overseas Mercantile Co., was the largest exporter of coffee from Nicaragua in 1944. The National Bank also controls all exports of gold and rubber.

Agriculture

Unusual weather conditions during 1944 adversely affected agricultural production. A heavy March rain reduced the coffee crop, and the complete lack of rainfall in October reduced the harvests of such crops as corn, rice, beans, sugarcane, and sesame. The drought also caused poor range conditions for livestock which, in turn, caused a scarcity of dairy products.

Coffee is the most important agricultural crop of Nicaragua and is used as a barometer of economic conditions in that country. The 1944–45 harvest is estimated at between 213,000 and 223,000 bags (of 60 kilograms each), with an exportable surplus of between 170,000 and 180,000 bags, or 20 percent less than the 1943–44 harvest. With the exception of some 550,000 pounds which went to the Canal Zone, the United States furnished the only market for Nicaraguan coffee in 1944.

Sesame seed is the second most important agricultural product produced principally for export. Shipments increased from approximately 2,000,000 pounds in 1942 to nearly 8,500,000 pounds in 1943, but dropped to slightly less than 8,000,000 in 1944. Because of the smaller production and increased domestic consumption of the 1944–45 crop, however, it is estimated that the exportable surplus may amount to not more than 5,000,000 pounds.

The production of sugar is one of the most important industries of western Nicaragua, employing between 7,000 and 8,000 permanent and seasonal laborers. There are some 22 larger mills and a greater number of smaller ones, the latter making principally brown sugar and molasses. Taxes on the production of sugar and of alcohol from cane products furnish approximately 10 percent of the total budgeted income of the nation. Sugar exports during the calendar year 1944 were provisionally reported at 7,500,000 pounds.

The Nicaraguan Bureau of Statistics estimated that about 220,000 acres of corn were under cultivation in 1944, a larger acreage than that devoted to any other product. Two crops are harvested each year, the first being planted before the start of the rainy season in May. Because of the fall drought, the 1944–45 harvest is expected to be about one-third less than the usual 3,000,000 bushels. It was believed, however, that the crop would cover domestic requirements, leaving possibly a small exportable surplus.

The rice harvest was expected to be between 12,000,000 and 14,000,000 pounds, or substantially below that of the 1943–44 season but large enough to cover domestic requirements. The drought nullified all efforts to increase production for war needs elsewhere. The 1944–45 bean crop was pronounced a failure in several sections, and importation to cover food requirements was believed necessary.

Cotton was the one crop which the varagies of the 1944 weather did not harm, and production was expected to be much larger than that of the 1943–44 season, which was said to be the worst in years. The allotment of about 5,200 acres to be planted to cotton under the agreement between the United States and Nicaraguan Governments was not filled, according to estimates of the area planted. The new cotton-textile mill at Managua did not open during the year.

Bananas are a staple article of diet in Nicaragua, and they are grown for home consumption wherever corn and beans are produced. Although some 11,000 stems of bananas were exported in 1944 compared with none in 1943, the outlook for the banana industry at present is not bright. A small company is furnishing the United States with some bananas from the east coast, but is having difficulty in purchasing them because of the complete destruction of most of the plantations as a result of banana disease and lack of shipping. A well-known United States fruit company has obtained a concession in western Nicaragua and intends to grow large quantities of bananas for export after the war. Plantation irrigation is being studied.

Livestock raising is one of the principal occupations of the people of Nicaragua, and is carried on principally in the Pacific coastal plain and the adjacent highlands. It is estimated that there are 800,000 head of cattle in the country and that 100,000 are slaughtered each year.

Forestry

Nicaragua has important forest resources and it has been estimated that there is more mahogany and other lumber in Nicaragua at the present time than has been taken out in the past 100 years. Besides mahogany, there is pine (said to be similar to long-leaf yellow pine), balsa, dyewoods, cedar, and many other woods. Transportation presents great difficulties. Because of the heavy rainfall in the wooded sections and bad terrain, the cost of transporting logs over any distance from the river banks is virtually prohibitive. The opening of a large mahogany sawmill at Bluefields, with the aid of the United States Government, was part of the war effort and an important feature of the 1944 lumbering program. Exports of all cabinet and construction lumber and logs during 1944 were estimated at 13,500,000 board feet, valued at approximately $665,000, compared with 11,941,965 board feet in 1943, valued at $529,998.

Other forest products include rubber, ipecacuanha root, and balsam of Peru.

Manufacturing and Mining

Nicaragua's manufacturing establishments are few and of small proportions, and the commodities produced are chiefly for the domestic market. They consist mainly of cigarettes, matches, cement, beer, rum, industrial alcohol, soda water, cotton textiles, leather shoes, furniture, and tiles. The country's requirements for most manufactured articles are supplied by imports.

Although Nicaragua has deposits of other minerals, gold and silver are practically the only ones mined. The National Bank reports that exports of gold in 1944 weighed 224,705.7 troy ounces, valued at $7,864,699, and exports of silver, 250,394.25 troy ounces, valued at $113,254, the total value of gold and silver being only slightly more than that of 1943. Several large gold mining and exploration concessions were approved by the Nicaraguan legislature during the year, and a large quantity of high-grade iron ore was discovered at tidewater on the Pacific coast.

Construction

Highway construction progressed rapidly in 1944. The Inter-American Highway was extended to Matagalpa, and about one-half of the Rama or Atlantic Highway, which will connect the eastern and western sections of the country, was under construction by the end of the year.

Dwelling construction, especially in Managua, assumed the proportions of a small boom toward the end of the year. Permits amounted to $545,342 compared with $109,708 in 1943. The most important buildings being erected at the end of the year were the large Communications and Customhouse building, the office building section of the Presidential Palace, the quarters of the Chief of Staff, the new Military Casino, the National Stadium, and the DeBayle Office Building. Shortages of imported materials are holding up the construction of other public buildings.

Cost of Living

After a slow rise during the first half of the year, the cost of living increased rapidly in the latter half. The October drought was the main cause of the soaring food prices; rents remained high because of the shortage of dwellings, and overcrowded hotels raised their charges for rooms by 25 to 40 percent. From January 1944 to January 1945, the retail price of lemons increased 500 percent; tomatoes, 400 percent; beans, 200 percent; rice, coffee, milk, and bread, 100 percent; cheese, 90 percent; lard, 78 percent; sugar and pork, 60 percent; and soap and low priced cuts of beef, 50 percent. Shoes and clothing showed an approximate rise in price of 50 percent and medicine a rise of 100 percent.

These enormous increases caused organized laborers to strike for higher

wages, and an average additional wage of 40 percent was granted to highway and mine workers as well as to other groups.

Peru

Tariffs and Trade Controls

Foreign Products Packed in Peru Must Be Marked.—All manufactured and semimanufactured foreign products packed in Peru, which are offered to the public under foreign brands, are required to carry the inscription "Envasado en el Peru" (Packed in Peru) in a visible place on their containers or wrappings, according to a supreme resolution of March 13, 1945. It is also compulsory that products packed in Peru be clearly indicated as such in advertising, catalogs, and other propaganda material.

Transport and Communication

New Air Routes Opened.—Service on one of Peru's air lines (Faucett Aviation Co.) was extended on March 1 to include a round trip once a month between Lima and Tingo Maria, with a scheduled stop at Huanuco.

About the middle of March another route was to be opened between Tingo Maria and San Martin, consisting of one flight daily in each direction. It is expected that tobacco will be the main cargo on the south-bound flight from San Martin.

The Tingo Maria-San Martin service will be interrupted from the 15th to the 18th of each month for a round-trip flight between Lima and Tingo Maria, with a stop at Huanuco.

Spain

Transport and Communication

Proposed Connecting Railway.—Interest has again been aroused in a proposed railway between Gibraleon, Province of Huelva, Spain, and the Portuguese frontier. This line would connect existing railways in the two countries and facilitate trade between Lisbon and Seville, as well as other points in Portugal and the southern Provinces of Spain.

Sweden

Transport and Communication

Location of Large Airport Terminal.—Vasby, near Stockholm, has been recommended by the Airport Investigation Committee as the location for Sweden's large airport terminal for long-range operations. Road tests of the Vasby soil have been made, and it is proposed to install reinforced-concrete runways.

Air service between Stockholm and Helsinki was discontinued as of March 5, 1945, for an indefinite period, according to the Swedish press.

Switzerland

Tariffs and Trade Controls

Beer: Special Tax on Imported and Domestic Product Reduced to Former Rate.—The Swiss special tax on imported and domestic beer has been reduced from 0.12 to 0.06 franc per liter, bottle, and the like, by an order of January 5, 1945, effective retroactively from October 1, 1944, and published in the Recueil des Lois Fédérales on January 11.

[See FOREIGN COMMERCE WEEKLY of May 24, 1941, for announcement of an increase in this tax from 0.06 to 0.12 franc per liter, effective April 1, 1941.]

Union of South Africa

Transport and Communication

Conditions in Transportation System, Durban.—Equipment of the city transport system of Durban, Natal, Union of South Africa, is showing the strain of constant service without adequate repairs and replacements. To conserve equipment, all streetcar and bus service is discontinued at 10 o'clock in the evening. The city owns 28 streetcars, 64 trolley busses, and 282 busses, trucks, and trailers.

Since November 1943, busses in Pietermaritzburg, Natal, have not been permitted to operate after 10 o'clock on weekdays, and 9 o'clock on Sundays and holidays. Bus stops have been cut down to only five per mile.

U. S. S. R.

Economic Conditions

AGRICULTURAL PLAN FOR 1945

The details of the plan for the expansion of agriculture in Soviet Russia during 1945, involving an increase of the sown area of the country by 8,000,000 hectares, were recently announced by the Soviet Government. Approximately 6,000,000 hectares of the increased area will be added on collective farms alone, whereas the liberated regions are scheduled to add 16 percent to their sown area of last year.

Acreage sown to grain crops is to be extended by 3,700,000 hectares, with spring-planted grain as the chief crop. An increase of more than 500,000 hectares will be sown in sugar beets, castor beans, cotton, flax, and other technical crops. Fodder crops will be expanded by 17 percent, potatoes and vegetables by 18 percent.

The plan further calls for an improvement in the performance of tractors during the current season to a point where 50 percent of this spring's field work will be done by tractors throughout the country and 80 percent in the North Caucasus, the Volga, and Siberian areas. The area worked by Machine-Tractor Stations (Government centers in the countryside doing the tractor work for the collective farms on a service contract) is expected to increase by 20,000,000 hectares, or 18 percent, in comparison with that of last year.

GENERAL INSTRUCTIONS

The sown area for all agricultural crops during 1945 is to be increased over that of 1944 by 8,100,000 hectares, of which 5,900,000 hectares will be added on collective farms and 600,000 on State farms and subsidiary allotments.

An appropriation of 42,000,000 rubles is to be provided in the 1945 budget by the Commissariat of Finance for capital repair of buildings and equipment of M. T. S. (Machine-Tractor Stations) over and above their regular income from doing the tractor work for the nation's farmers, the cost of which was at the same time fixed at 39 rubles per hectare of "soft" plowing.

In the Baltic republics of Estonia, Latvia, and Lithuania the Agriculture Commissariat will spend 11,600,000 rubles in wage payments to employees of "machine-horse hiring stations" which were recently organized along the lines of the M. T. S.

Within a period of 10 days after the promulgation of the plan the Commissariat of Agriculture and all provincial agricultural agencies were to inform all State farms, M. T. S., collective farms, and peasant proprietors under their jurisdiction as to the exact quantitative quotas of agricultural and tractor labor to be completed, as well as yields to be achieved in the various crops.

PREPARATION FOR SPRING FIELD WORK

All tractor-repair work must be inspected before acceptance by a State commission consisting of designated rural officials and members from raion (county) and village organizations. A thorough investigation of the state of preparedness of each M. T. S. must also be carried out by a commission of district officials, looking into the correct allocation of manpower in the organization of tractor brigades (teams), the supply of tools and spare parts, and the training of new drivers. Each new operator must undergo a 3-week probation period before undertaking independent work.

By April 1, 1945, the yearly task of each tractor brigade, including dates of fulfillment, was to have been specifically agreed upon in the contracts concluded between M. T. S. and collective farms. Similarly, working schedules for spring field work and complete programs for technical maintenance of machines during the summer must be drawn up in advance.

By way of incentive pay it was decided (*a*) to continue in 1945 bonus payments to tractor drivers for the fulfillment of established 15-day norms in spring sowing and (*b*) to continue the procedure of counting workdays of tractor drivers at double rates and of raising the norm of expenditure of fuel by 10 percent for the first 6 days of ploughing work.

In cases where mechanical and other draft power is inadequate, farmers are advised to use low-productivity cows. In

(Continued on p. 41)

News by COMMODITIES

Beverages

Production of Hops and Beer, France

The production of hops in France has never been anything but a minor agricultural industry. Some hops are produced in the northern part of the country near Belgium, and some in Burgundy, but the greater part of the production is centered in Alsace Lorraine, with the department of Bas-Rhin as the main producing area of that region. With Alsace cut off during the war period, French hop supplies were seriously reduced; the amount from France proper since 1940 has been totally inadequate.

No information is available on hop supplies utilized in France during the war years. Before the war hops were imported, preference being for high-quality hops from Czechoslovakia. Some hops were also exported, although France has never produced enough for its own use.

The statistical position from 1930 to 1938, is shown in the following table:

Hops and Lupulin Supplies

[In quintals—by calendar years]

Year	Production [1]	Imports	Exports
1930	62,488	20,488	12,109
1931	27,615	38,149	1,600
1932	5,344	16,064	383
1933	7,760	15,874	2,832
1934	14,417	13,395	13,794
1935	27,350	11,297	7,896
1936	23,125	12,720	4,877
1937	16,715	11,154	7,584
1938	23,506	3,493	5,483

[1] 1-year lag; i. e., 1929 harvest included in 1930 supplies.

SOURCE: Statistique Agricole Annuelle.

The influence of the hop situation on beer production is shown by estimates of output which are available only through 1941. Average annual production of beer in France in 1929–38 was 18,500,000 hectoliters (1 hectoliter= 26.42 gallons), decreasing to less than 9,000,000 hectoliters in 1941. This difference is not accounted for by the extent of brewing in Alsace Lorraine.

The following table shows number of breweries and production of beer in France in the years 1937 to 1941 inclusive, with average for 1929–38:

Year	Breweries	Production
	Number	*Hectoliters*
1929–38 (average)	1,215	18,540,793
1937	1,019	16,975,000
1938	975	16,156,000
1939 [1]	860	12,762,000
1940 [1]	734	10,689,000
1941 [1]	679	8,941,000

[1] Not including Aisace-Lorraine.

SOURCE: Bulletin de Statistique Agricole, March 1943.

Continued production of hops, and estimates of area and output in the departments of Cote d'Or, Haute-Marne, Meurthe-et-Moselle and Nord up to and including 1944, demonstrate reasonable care to the yards, and it is estimated that production in 1945 will be on about the same level as in recent years. The situation in Alsace Lorraine is not known.

Beer Production in Australia

Australia produced 94,334,943 imperial gallons of beer in the 1943–44 crop year, valued at nearly $100,000,000. This represents a 6-percent decrease in quantity as compared with the 1942–43 production.

Palestine's Output of Beer and Wine

Beer production in Palestine and sales on the domestic market during 1944 advanced to 16,300,000 liters (1 liter= 1.0567 quarts) as against 11,578,000 in 1943. Compared with an output of about 2,000,000 liters in 1939, Palestine's beer production in 1944 increased eightfold.

Palestine's wines were in great demand in 1944 in the neighboring countries of Iran, Iraq, and Egypt. Allied armies in those countries ordered almost 600,000 liters in that year. Exports of wines in 1942 and 1943 aggregated 385,000 and 220,000 liters, respectively.

Sales of wine on the domestic market declined to 3,060,000 liters in 1944, as compared with 3,500,000 and 4,000,000 liters in 1942 and 1943, respectively. The falling off was attributed mainly to the departure of certain groups of the Allied armies. Sales of cognac declined for the same reason.

A fine vintage in the autumn of 1944 resulted in an increased production of wines to about 5,500,000 liters—an all-time high figure. Stocks of wine amount to more than 1,500,000 liters, and it has been decided to build up reserves in order to improve the quality in the future.

Owing to the strong demand in 1942 and 1943, almost the whole vintage was sold within a couple of months and no reserves could be stocked. In the future, at least 20 percent of each vintage will be used as reserve, and will remain in the cellars for from 2 to 3 years.

Manufacture and Exports of Distilled Spirits (Scotland) U. K.

This year's allocation of home-grown cereals to distillers in Scotland will permit the manufacture of about 10,000,000 proof gallons of whisky, or about 35 percent of the production in the year ended September 30, 1939.

Exports of distilled spirits from Scotland in 1943 amounted to about 5,473,268 gallons, according to an unofficial source, of which at least 5,000,000 gallons was Scotch whisky. Export figures for 1944 are not yet available, but it is estimated that they will be somewhat under the 1943 figures.

Exports of Scotch whisky from the Edinburgh district of Scotland to the United States in the first 2 months of 1945 were valued at $685,696, as compared with $700,469 in the corresponding period of 1944.

Chemicals

Fertilizer Imports, Australia

Australia's imports of fertilizers showed a marked increase during the second half of 1944 over the corresponding period of 1943, according to Australian customs statistics. Comparable totals are shown as £773,000 and £448,000, respectively.

Imports also were larger than the prewar figure of £722,000 for July–December 1938.

Inorganic-Chemical Imports, Canada

Canadian imports of inorganic chemicals decreased substantially in February 1945 compared with the corresponding month in 1944, says the Dominion Bureau of Statistics. The values are shown as $651,000 and $803,000, respectively. Likewise, the total for the first 2 months of 1945 showed a decrease from January–February 1944, the amounts being $1,426,000 and $1,757,000.

In this group, soda compounds accounted for $259,000 in February 1945 compared with $372,000 in February 1944; imports of these products in the first 2 months of 1945 totaled $573,000, a decrease of almost 20 percent from the comparable 1944 figure of $710,000.

Shortage of Raw Materials in Plastics Factories, Colombia

Because of the shortage of imported raw materials, three plastics factories in Barranquilla, Colombia, have operated at less than full capacity during the last 3 years. One of these, Industrias Resol, plans to convert to the distillation of spirits, it is reported.

Borax Production in Iran

Deposits of borates are known to exist in Iran in the vicinity of Debschuturan

Turkish Government Paper Order

The Office Central de Statistique, Presidence du Conseil, Ankara, Republic of Turkey, desires to purchase 30,000,000 to 50,000,000 tabulating cards of its equivalent in paper stock for the taking of a census of population.

Further details, including specifications, are available from the Pulp and Paper Unit, Bureau of Foreign and Domestic Commerce, United States Department of Commerce, Washington.

and in the north near Sabsevar. Those near Debschuturan are considered more important and are estimated to have reserves sufficient to produce about 2,000 metric tons of refined borax. Limited operations are being conducted in this area, but the deposits near Sabsevar are not being worked.

The crude material is transported to Tehran for refining, and annual production is about 100 tons of refined borax. The price of the domestic borax is said to be considerably higher than that of the United States product on the local market.

Output of Oxygen and Carbon Dioxide, Iraq

Iraq has two oxygen factories and one carbon-dioxide plant. Output of carbon dioxide is about 1 ton daily.

Sulfur from Pyrites, Portugal

Production of sulfur from pyrites amounted to 10,948 metric tons in Portugal in 1944.

The two plants producing sulfur from pyrites are unable to supply the domestic demand and will be enlarged when equipment can be obtained from abroad.

Sulfur Production, Spain

Production of sulfur ore in Spain amounted to 40,638 metric tons in 1944, according to Spanish government statistics.

The output of sulfur during the same period is estimated at 29,599 tons—5,800 tons from ore and 23,799 from pyrites.

Output of Fertilizer and Glue Factory, Transvaal, South Africa

Hide glue and gelatin are being manufactured by African Fertilizers and Glue Works, Midway, Transvaal, says a foreign chemical magazine.

Bone glue and bone flour also are produced. After the glue, grease, and moisture have been removed, the bones are ground into flour, which can be used only as cattle feed, under wartime regulations. Since this material contains a high percentage of calcium phosphate, it is also a valuable fertilizer.

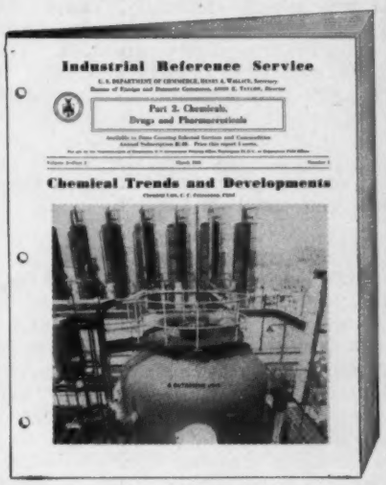
Production of Mineral Fertilizers, U. S. S. R.

A large phosphate-fertilizer combine has been established in the U. S. S. R. on the upper reaches of the Kama and Vyatka Rivers. A mine, concentrating plant, and mill have begun production of mineral fertilizers. Local phosphorite deposits are being used as the raw material.

Rust Preventive Developed in U. S. S. R.

"Unikol," an antioxidant and rust preventive, has been developed in the U. S. S. R. during the war, says a European chemical magazine. It was discovered in the Colloid Chemistry Laboratory at Moscow and its first extensive use was for removing rust from the equipment captured from the enemy.

The product has since been greatly improved, it is stated, and is now used on a large scale for a number of purposes, including the preservation of oil-well casings.



The Industrial Reference Service which was temporarily discontinued following our entry into the war has been resumed, in part. The following releases have already appeared in Part 2 which deals with Chemicals, Drugs, and Pharmaceuticals. This service is available on a subscription basis at $2 per annum. Single copies 5 cents each. Order should be placed with the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., or any of the Department's Field Offices, a list of which appears on the inside front cover of this magazine.

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No. 4—DOMINICAN REPUBLIC AND HAITI AS MARKETS FOR ORGANIC CHEMICALS. 2 pp.

No. 5—CHROME GREEN (Synopsis of Information). 2 pp.

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Decreased Exports of Soda Compounds, U. K.

Exports of soda compounds from the United Kingdom dropped approximately one-sixth in volume in 1944 from exports in the preceding year, according to statistics released by the British Board of Trade. Comparable figures are shown as 345,000 and 414,000 long tons, respectively.

The reduction is attributed principally to a decline in shipments to South America.

Coal and Fuel Gases

Output of Municipal Gas Works, Kingston, Jamaica, B. W. I.

The municipal gas plant in Kingston, Jamaica, British West Indies, is at present serving 1,209 consumers in Kingston and its twin city of St. Andrew, besides supplying illuminating gas for 665 street lights which have not been converted to electricity. Built in 1874 but completely remodeled in 1930, the plant is designed for the production of gas from coal; however, a certain amount of gas oil is also used. About 5,000 tons of gas coal and 28,000 gallons of gas oil are consumed each year. Its maximum daily capacity is 280,000 cubic feet of gas.

Coal Situation in Algeria

A great reduction in the amount as well as in the quality of coal imported into Algeria during the first part of 1945 resulted in the crippling of more than one of the country's industries. Coal is mined in Algeria, but not in sufficient quantities to meet all needs. In the first quarter of 1945 only 11,000 tons of the estimated average monthly consumption of 63,000 tons was mined locally.

From 1940 until November 8, 1942, imports were limited to medium-grade French coal and, as a consequence, a severe rationing system had to be set up. Railways and public utilities, however, were able to maintain services on a restricted scale.

After November 1942, the situation improved. During the period from May to November 1944, Algeria received coal from South Africa and India as well as the United States and Great Britain, and the industries were able to build up small reserves. Then matters took a different turn. South African and Indian coal was shipped elsewhere and the European phase of war took the best supplies exported from the British Isles. By January imports were limited to gas coal from the United States and open-cast or strip coal from British mines. When inclement weather hampered mining operations, and shipping was held up, conditions became serious.

The fact that the lower-grade coal is more volatile and produces less heat with more ash has greatly hampered the coal-using industries. The electric-power plants and railways have been particularly hard hit. Of the 13 power plants in Algeria, 2 have facilities for using hydroelectric power during several months of the year, but otherwise they are dependent on imported coal for the greater part of their energy. If poorer grades of coal are used, grates are burned out and the boilers themselves are subject to damages, a serious problem in Algeria where there are no boilermaking shops.

The railways, responsible for the transportation of 95 percent of all freight in Algeria, have fared even worse. Because their locomotives could not be operated

on open-cast coal exclusively, they have been fueling them with this type of coal to which has been added briquets made from washed powdered coal compressed with coal-tar pitch. The resultant combination, however, has provided only about two-thirds the normal power, with the consequence that loads have had to be cut and more trains run to take care of the volume of traffic. At the same time, the high ash content of the lower-grade fuel has necessitated cleaning the fire boxes every 30 miles, a process which has disrupted train schedules and has heightened the risk of damage to the boilers.

Even before it became necessary for the railways to use open-cast coal, approximately one-half of the locomotives of the Algerian State Railways needed repairs, and it was feared that continued use of lower-grade coal might result in further crippling the system. To assist in conserving fuel, and to lessen the wear and tear on the locomotive, passenger service on night trains was recently curtailed.

Coal Imports, Eire

Coal imports to Eire slumped during 1944 to 740,122 tons, according to the foreign press. The 1944 figure represents a 2,135,651-ton decline from the year 1940 when imports of coal amounted to 2,875,773.

Gas Consumption, Monterrey, Mexico

A total of 10,989,035,000 cubic feet of natural gas was delivered to patrons in Monterrey, Mexico, and other nearby communities during the year 1944 by the Compañía Mexicana de Gas, S. A. The company, which is the sole distributor in the area, obtains its gas partly through purchase contracts from the Rancherias, La Presa, and La Jita fields and partly from the United States.

Because of the availability of natural gas, little bottled gas is sold in the district. Saltillo, Coahuila, is the only city using bottled gas to any extent. Bottled butane gas is sold by several firms to 350 domestic consumers there. No commercial concerns buy it.

Coal Production, Turkey

Production of coal in the Eregli-Zonguldak Basin on the Black Sea, Turkey, was increased during 1944 to meet the heavier demand of the Turkish State Railways and the needs of different industries within the country. A total of 3,530,000 metric tons of bituminous coal is estimated to have been mined. This was an increase of 367,395 metric tons over production in 1943, when the output was 3,162,605 metric tons. In both cases, however, the figures given represent run-of-the-mine coal which, after it has been washed, sorted, and screened, loses 30 to 35 percent of its weight. There have been no exports since 1941, but it is expected that Turkey will again resume its position as an exporter of coal after the war.

The mines in the basin are now operated by the Eti Bank through a subsidiary known as the Eregli Komerlier Isletmesi Muessesi. Limited transportation facilities and high labor, equipment, and shipping costs, as well as a lack of coal-cutting machinery and mine props, which formerly came from Rumania and Poland, create special difficulties for the mining operators. There is also a shortage of electric power. It is expected that the output per man day will be greatly increased by the installation of new equipment when it is available after the war. At the present time the average daily production per man is only 500 kilograms.

Utilization of Natural Gas, U. S. S. R.

Industrial utilization of natural gas on a large scale in the U. S. S. R. began during the war, with the construction in 1942 of a gas main connecting the city of Saratov with the nearby Elshanka deposits. Up until December 1, 1944, a total of 67 industrial firms in that city had converted their plants to gas, thereby effecting a saving of 400,000 tons of coal and 70,000 tons of crude oil, according to the Soviet press.

The second major step in the use of the country's natural-gas resources by industry was the construction in 1943 of a 120-mile gas main between the rich Buguruslan deposits and the city of Kuibyshev. This main was put in operation in September 1943, and since that time 140 businesses have been provided with natural gas, effecting a saving of about 300,000 tons of coal for other uses. Pipes used in the construction of the main were made of asbestos cement instead of metal, but they have proved entirely satisfactory for carrying gas under high pressure. Since the installation of the main, the demand for natural gas has increased to such an extent that a second main between Kuibyshev and the Buguruslan deposits has been made necessary and is in process of construction.

Meanwhile, work on the construction of another pipe line has begun. The discovery of large deposits of natural gas in the Volga valley attracted the attention of the Government late in 1944, and a 500-mile pipe line from Saratov to Moscow was authorized. It was estimated that the use of natural gas in the capital would save 3,000,000 cubic feet of firewood annually. At the same time, even taking into consideration the expenditures involved in constructing the main and subsidiary installations, the cost of fuel gas would be only half the cost of coal from the Moscow basin, and less than half the cost of firewood. It was originally expected that the pipe line could be put in operation by the summer of 1946, but the State Defense Council has since advanced the date for its completion to December 1945.

Natural-gas reserves in the Carpathian Mountain area, estimated by the Ukrainian Geological Committee at 100,000,000,000 cubic meters, will be tapped to provide gas to the Ukrainian capital of Kiev. The first reserve to be used will be that at Dashava in the Carpathian foothills from which a 325-mile pipe line is to be constructed.

Surveying work for additional natural gas pipe lines is now going on around the cities of Stalingrad, Novorossiisk, Melitopol, and Gorki.

Prices for Algerian Briarwood

Export prices for briarwood from Algeria, published in the Algerian Journal Officiel, are as follows: Large sizes quality extra, 9,720 francs; first choice, 6,560; race, 4,740; mixed, 1,945; second choice, 810. Size CM1–2R1 ½: Extra, 3,240 francs; first choice, 2,550; race, 1,945; mixed, 1,300. Size CP1–3R1 ¼: first choice, 1,810 francs; race, 1,095; mixed, 810. Small size: race, 730. These prices range from 105 to 138 percent higher than the 1944 export prices for North African briarwood.

Private trade with Algeria, one of the principal sources of supply for briarwood used in the manufacture of smoking pipes, is being progressively resumed.

Construction

Building Activity, Concepcion, Chile

Expenditures for construction in Concepcion, Chile, totaled $344,895 during the first half of 1944. Of this amount, $227,678 was spent for new construction, $107,688 for remodeling, and $9,529 for minor repairs. Contractors and architects in the city report that approximately the same amount was spent during the second half of the year for new construction and remodeling, but that expenditures for repairs were somewhat less.

Building Boom in Colombia

Every important section of Colombia witnessed a building boom in 1944, which appears likely to continue in 1945, and private construction activity reached a new peak. According to preliminary figures, the value of new construction during 1944 in the 13 principal cities amounted to 45,366,356 pesos ($25,858,823 in U. S. currency), nearly half of which was initiated in Bogota and marked a 73 percent increase over the 1943 value. Remodeling in that city was valued at 2,360,846 pesos.

Preliminary work was started in 1944 on several plants, including a hydroelectric plant at Tobia, a steel plant at Paz del Rio, and a soda-ash plant near Bogota. Increased activity is expected during 1945 in the construction of aqueducts now that pipe has become available.

In Bucaramanga, Colombia, 397 permits for buildings comprising a total floor space of 107,106 square meters were issued during 1944. This represented an increase over the 387 issued in 1943 which had called for construction amounting to 86,234 square meters of floor space.

Planning and Development, Gold Coast

A town-and-country planning bill is scheduled to be introduced during this session of the Legislative Council of the Gold Coast. The plan provides for the orderly development of land and towns, and may call for the reshaping of a town,

providing it with finer roads, more trees, and better houses. Land may be reserved for schools, houses, and open areas, and the size and height of buildings may be regulated. A slum-clearance program also is included in the bill.

Post-war rebuilding plans for Accra call for the creation of a Government Center with the Legislative Council building as the focal point. Other government buildings will be around a centrally located plaza.

Building Activity in Mozambique

During the first 9 months of 1944 private construction projects in Mozambique numbered only 56—a new low for recent years—and were valued at $350,200. A postwar building boom is anticipated in the country, particularly in Lourenco Marques, when building materials again become available.

Construction Plans, Republic of Panama

Plans for a new $220,000 stadium in Colon, Republic of Panama, have been completed, says the Panamanian press. The contract award has been made, and building materials will be imported from the United States. Stadiums for nine other cities are being planned at an estimated cost of $25,000 each. In La Chorrera, an aqueduct and water-supply system recently has been initiated.

The projected building of stadiums, hospitals, schools and other structures is part of a $13,545,000 public-works program announced in 1944 by the Ministry of Health and Public Works. Early in 1945 bids were to be called for by the Banco de Urbanización and Rehabilitación for the construction of 150 schools at a total cost of $2,000,000 and 7 additional tenement buildings at a cost of approximately $1,000,000.

Construction by private enterprise during 1944 exceeded all previous records.

New Water-Supply System, Caracas, Venezuela

A new water-supply system in Caracas, Venezuela scheduled for completion by the end of 1946, will increase the water supply by 750 liters per second. The power generated will be utilized for water treatment and in the pumping that is required in the distribution from wells and other sources.

The new system, which will permit a regulated flow, is considered adequate to meet anticipated requirements for the next 10 years. Provision has been made for tapping the supply lines for supplementary sources, when needed. Metered water will be available to the public at a cost comparable to the average paid in cities of similar size in the United States.

Plans for the treatment and distribution of water and the disposal of sewage are in preparation, and contracts are expected to be let in the near future.

Extensive Building Projects in Venezuela

Building permits issued in the Federal District, Venezuela, increased in value to 79,800,000 bolivares in 1944 from 72,580,000 in 1943.

France's Angora Rabbit-Hair Yarn

The wool branch of the "Committee of Organization for the Textile industry" in France recently stated that in view of the scarcity of textile raw materials, France will consume all angora rabbit hair and all yarn manufactured from angora rabbit hair for many months to come and that no exports were being considered at present.

However, knowing the interest that the United States market has in angora yarn, the question will be examined from time to time. As the situation in raw-material supplies is gradually ameliorated, it may be possible to resume exports to the United States.

Increased private and public construction in 1944 has contributed toward changing the aspect of Caracas, and, to a lesser extent, that of other cities, such as Maracaibo, Valencia, Barquisimeto, and San Cristobal, from nineteenth century Spanish-American towns to modern urban centers. The Venezuelan Government sponsored a 50,000,000-bolivar low-cost housing project to provide residences for 12,000 persons in Caracas. Other projects for the city included several large school and government buildings, an aqueduct, and a large hospital for the Central University of Venezuela.

Work is continuing on a 5-year public-works program begun in 1941 for the interior of the country. Included in the program is the construction of civil and military schools, government buildings, hospitals, a penitentiary, flood-control projects, and sewer systems. Some 144,000,000 bolivares have been appropriated for the current fiscal year to carry on the program.

Electrical Machinery and Equipment

Hydroelectric Corporation Reorganized, Colombia

The Sociedad Central Hidroeléctrica del Rio Lebrija, formed originally in 1941 by the government of the Department of Santander, Colombia, and later abandoned because of difficulties in obtaining machinery and equipment, was reorganized and legally reestablished on February 4, 1945. The subscribed capital is 2,500,000 pesos; 51 percent of the stock is to be held by the national government and the remainder by departmental and municipal governments.

An official of the corporation has announced that work, including excavations, will be started soon at a site selected for a hydroelectric plant on the Lebrija River about 15 kilometers from Bucaramaga. The plant will have a capacity of 7,000 kilowatts and will consist of one initial unit requiring a turbine, generator, switchboard, and other equipment, and will require a reservoir, conduit tunnel, Forebay tank, a pipe line more than 2 meters in diameter and 14 kilometers of transmission line.

Business Is the Greatest Single Force for Social Good

Canadian Imports of Electrical Apparatus

Canada's imports of electrical apparatus in 1944 were valued at $57,859,000 compared with $48,542,000 during the preceding year.

Production of Electrical Energy, France

Output of electrical energy in France in December 1944 totaled 1,438,551,000 kilowatt-hours, of which 416,235,000 were steam and 1,234,316,000 were hydraulic, the latter figure including only partial data relative to the east. The comparable figures for December 1943 were 953,117,000 of hydraulic and 684,706,000 of steam.

Production of electrical energy in France in 1938 was about 20,000,000,000 kilowatt-hours, of which 10,500,000,000 were hydroelectric and the remainder steam-generated. The demand is reported to be increasing at the rate of 1,000,000,000 kilowatt-hours a year, and the shortage of coal makes desirable the substitution of hydraulic energy for steam. Utilization of available water power would furnish annually an estimated 30,000,000,000 kilowatt-hours of energy.

In 1938 there was a plan for yearly output of 4,250,000,000 kilowatt-hours, involving the building of several important dams including L'Aigle on the Dordogne and Genissiat on the Rhone. Some of these plans are expected to be executed in 1945 and 1946, but the plant at Genissiat probably will not be completed before 1947. Plants put into service since 1938 represent production of only 900,000 kilowatt-hours a year.

A second program to be undertaken as soon as circumstances permit involves the dams of Saint Pierre des Champs on the Isere River and of Bort and Chastang on the Dordogne. A program now under study involves the damming of the Rhone between Donzere and Montdragon.

Improved Electrical Supply System, U. K.

Reports of the Central Electricity Board of Great Britain for the years 1940–43 show the addition of some 670 miles of lines to the transmission system in addition to 37 new switching and transforming stations. At the end of 1943 there were 142 stations with an aggregate installed capacity of 10,984,656 kilowatts. The aggregate output of public supply systems rose from slightly more than 26,400,000,000 kilowatt-hours in 1939 to 37,000,000,000 in 1943.

Foodstuffs and Allied Products

Coffee and Cacao

Cacao Crop, Dominican Republic

The Dominican Republic's small crop of cacao, harvested in March 1945, is estimated by the trade at 80,000 bags of 70 kilograms each (1 kilogram=2.2046 pounds). The quality is reported to be superior to the large crop of 1944.

The 1945 principal crop which begins to come in in April is anticipated by producers and exporters to be between 250,000 and 300,000 bags.

Stocks on hand as of the end of February 1945 were 35,000 bags and estimated available stocks within 60 days should approximate 65,000 bags.

Exports of cacao from the Dominican Republic in 1944, as officially reported by the Dominican Bureau of Statistics, amounted to 25,562,120 kilograms, valued at $3,999,527, as compared with 27,913,079 kilograms, valued at $4,039,142, in 1943.

Exports of chocolate from the Dominican Republic in 1944 amounted to 186,218 kilograms, valued at $66,018, as against 1943 exports of 193,218 kilograms, valued at $69,210.

Ecuadoran Coffee Crop

Ecuador's 1944 coffee crop, which was one of the best in years, is estimated at 350,000 quintals of 101.4 pounds each. Although it is rather early in the year to estimate the volume of the 1945 crop, the trade is of the opinion that it will not equal that of 1944 and may not exceed 300,000 quintals.

A significant development during the past year has been a tendency toward the diversion of the coffee trade from the port of Guayaquil to that of Manta. Coffee exporters attribute this trend to increased labor costs and difficulties in the Guayaquil area as well as to the inadequacy of transportation facilities from the Manabi area to Guayaquil. In March, no coffee was exported from Guayquil to the United States, all shipments being made from Manta.

Exports of Ecuadoran coffee in March 1945 were only 5,823 bags of 60 kilograms each (1 kilogram=2.2046 pounds), according to unofficial statistics, as compared with 6,167 bags in February 1945 and 9,812 bags in March 1944.

Venezuelan Coffee Crop

The estimate of 950,000 bags for the current Venezuelan coffee crop now is believed to be conservative rather than unduly optimistic, as was thought to be the case by some local traders a few months ago. The Ministry of Agriculture has not yet revised its estimate, but it is rumored that the crop may exceed 1,000,000 bags.

The Venezuelan coffee crop, especially in the Andes region, is reported to be excellent in both quality and yield.

February was the first month of the 1944–45 coffee year to show a marked tendency to release stocks for export. The pace set that month of 55,258 bags was exceeded in March, however, the estimate of exports being placed at 69,746 bags for the latter month, practically all of which was destined for the United States. Sales registered for export from October 1, 1944, to March 17, 1945, are placed at 221,148 bags, of which 213,121 bags were for shipment to the United States.

Fruits and Nuts

Cuban Exports of Fruit Preserves

Cuban exports of fruit preserves were valued at more than $1,000,000 in 1943 and at about $800,000 in 1944, which are tremendous gains as compared with $142,000 in 1940, the previous record.

Fruit preserves are manufactured in Cuba by a relatively large number of small manufacturers. The principal product for many years has been guava paste, but during the past 2 years large quantities of other fruit paste, marmalade, and preserves have also been produced for export. The pastes contain a relatively high percentage of sugar, about 65 percent, in order to be sufficiently solid for packing in wax paper and wooden boxes without requiring glass or tin containers. Other preserves and marmalades in sealed containers contain a somewhat lower portion of sugar, estimated at about 60 percent.

With the exception of candy and fruit preserves, the only other group of export products containing large amounts of sugar, is sugar sirups. Exports of sugar sirups in 1944 were relatively small, and are reported in official trade statistics as 514,014 gallons, valued at $191,456, as compared with 8,000,000 gallons annually prior to 1942. Another item shown in the foreign trade statistics is the exportation of sugar sweepings, amounting to about 55 metric tons in 1944.

The quantities of fruit preserves exported in 1943 and 1944 were 3,624 and 2,912 metric tons, respectively, as compared with an average of 820 tons in the preceding 5 years. These shipments consisted principally of guava paste, other fruit paste, marmalade, preserves, and fruit pulp. Guava paste has long been a standard export product of which some 500 to 750 tons were exported per year. In 1943, the exports were doubled but in 1944 again dropped to more or less the normal rate of 700 tons. Exports of the other products were very small prior to 1943, but have increased materially as a result of the war demand for products with a high sugar content.

The following table shows exports of fruit preserves, marmalade, and paste from Cuba in the years 1936 to 1944, inclusive:

Cuban Exports of Fruit Preserves, Marmalade, and Paste

[In metric tons]

Year	Guava paste	Other fruit paste	Marmalade	Other fruit preserves	Fruit pulp	Total
1936	929	7	42	36	[1]	1,014
1937	744	49	16	43	[1]	852
1938	571	26	17	35	[1]	649
1939	515	17	18	51	[1]	601
1940	696	71	35	605	[1]	1,407
1941	673	31	[2]	145	[1]	849
1942	411	33	4	124	12	584
1943	1,453	380	472	1,055	264	3,624
1944	700	299	186	400	629	[3] 2,912

[1] Not separately classified until 1942.
[2] Less than 0.5 metric ton.
[3] Total for 1944 includes 698, metric tons of canned shredded coconut in sugar sirup.

Exports of guava paste to Puerto Rico are usually about as large as those to the United States with the exception of 1943 when exports to the United States were unusually large. Small quantities are regularly exported to other countries.

Indian Cashew-Nut Crop

The 1945 cashew-nut crop of India is unofficially estimated at 600,000 bags of 168 pounds each, or about 45,000 long tons of raw cashew nuts, as compared with last year's crop of 30,000 tons.

The exportable surplus of the 1945 crop is estimated at 360,000 cases of 50 pounds net per case (18,000,000 pounds) of shelled nuts.

The Government of India has lifted the ban on imports of raw cashew nuts from Portuguese Africa imposed during 1943 and 1944. However, there are some restrictions as import licenses issued are based on each firm's 1940–41 and 1941–42 imports and imports must be completed before June 1945.

Grains and Products

Rice Production, Trinidad, B. W. I.

Rice production in Trinidad, British West Indies, in 1944, is officially estimated at 15,800 short tons, of which 13,600 tons were swamp rice and 2,200 tons were dry or hill rice. Trinidad's 1944 rice harvest was regarded as good as compared with an average yield of 10,000 tons.

The Government's rehabilitation of fields by drainage and irrigation made possible the planting of more than 15,000 acres of swamp rice in 1944. By using varieties suited to dry land, planters put 4,000 acres under hill rice.

To meet the Colony's annual demand for 40,000 tons of rice, Trinidad must

Wool Imports From India: New WPB Action

The War Production Board announced April 27 that a limited quantity of India wool has been approved for import under General Imports Order M–63.

As was done previously, the distribution of this wool will be made on a historical basis to carpet manufacturers and sales yarn spinners. It is expected that quotas will be allotted *May 15, 1945,* WPB said.

Applications on Form WPB–1041, filed with the Textile, Clothing, and Leather Bureau, Washington 25, D. C., should be made either by the mill or its certified dealer within 15 days from the receipt of quotas from WPB.

import three times its normal production, or 30,000 tons of rice. Although last year's production of 15,800 tons was a record crop, it reduced import requirements only slightly.

All of Trinidad's rice imports for 1945 will come from British Guiana which began supplying that country in 1942 when shipments from India were curtailed. In 1941, 20,000 tons were imported from India and 9,000 tons from Brazil; imports in 1943, the last year for which detailed figures are available, amounted to 13,000 tons from British Guiana and 18,000 tons from the United States.

About 12,000 short tons of domestic rice was on hand at the end of 1944, according to a rough estimate of the Food Controller's Office. No figures have been compiled on stocks of imported rice.

Production of rice in Trinidad in 1945 is not expected to be as high as the 15,800 short tons produced in 1944, even though more labor is available and new plantings will be made on government rehabilitated land.

Agricultural experts hold little hope that Trinidad will produce all the rice it needs so long as the standard of production remains low and the cost of growing rice continues to be high. Because of these factors rice has little attraction as a cash crop.

Cuban Consumption of Wheat Flour

Apparent consumption of wheat flour in Cuba during 1944 was 1,600,000 bags of 200 pounds each, which included 1,400,000 bags imported during the year and 200,000 bags available from stock reduction. Averaging 137,000 bags per month, or 69 pounds annually per capita, this is believed to be a record high for Cuba. In prewar years, annual consumption was estimated at only 1,000,000 bags. Practically all imports in 1944 were from the United States.

About 80 percent of the flour shipped to the United States was milled wholly from United States wheat. In some prewar years as much as 50 percent of United States shipments were milled from Canadian wheat (in bond by Buffalo mills). The shift to United States wheat was caused largely by the special United States subsidy payments on flour exports.

Imports of wheat flour into Cuba in 1944 of 1,400,000 bags were about 100,000 bags less than the record receipts of 1943. This did not represent, however, a reduction in demand, but is attributed to the United States limitation on the quantity of flour for which subsidy would be paid. If subsidized flour had been available in unlimited quantities, Cuba reportedly would have imported at least 1,600,000 bags.

Consumption of wheat flour in the first few months of 1945 appeared to be even greater than during last year, probably reaching 150,000 bags monthly. At that rate, the 1945 disappearance would be a new record high of 1,800,000 bags.

Production in Mexico

Some corn is harvested in Mexico each month during the year. The principal crop which is produced in the central States is planted about June, harvested

in November and December, and marketed about the first of January. Thus, the main crop harvested one year is available for consumption in the following year.

Mexico's 1944 corn crop is estimated at 2,440,483 metric tons, an increase of 37 percent as compared with 1,775,000 metric tons harvested in 1943. The latter figure was much less than the estimated 2,000,000-ton requirements, and in 1944 the Mexican Government found it necessary to import sizable quantities to offset this deficit.

Because of the large harvest in 1944, the corn situation has improved, and little difficulty is expected during 1945. The problem will be to transport supplies from surplus-producing areas to areas having shortages.

The principal wheat-producing States of the Republic are Coahuila, Sonora, Guanajuato, and Michoacan. During the period 1938–42 these States accounted for approximately 61 percent of the total wheat produced.

Unofficial estimates of the 1943–44 wheat crop range from 350,000 to 396,000 metric tons. Production in the 1942–43 season amounted to approximately 429,000 tons.

Mexico produces only about 50 percent of its wheat requirements. Official sources state that wheat production has increased in the past few years but consumption has likewise increased. Thus it appears that there is little hope of being able to produce enough wheat to meet the country's requirements in the next few years, with the result that Mexico will continue to import a large part of its wheat requirements.

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Mexican production statistics on barley are listed under two separate classifications, feed barley and malt barley. Of the two, the former constitutes the greatest volume. It is believed, however, that a large amount of that classified as feed barley finds its way into the brewing industry as malt barley since the two are difficult to segregate.

Mexico is not a large producer of barley, although for feed purposes it is nearly self-sufficient. The principal feed-barley-producing States are Hidalgo, Puebla, Mexico, and Tlaxcala. Normally, these four States produce about 83 percent of the feed barley of the Republic.

The States of Baja, California, and Coahuila normally account for between 75 and 85 percent of the malt barley produced in Mexico. Production statistics are lacking for the years 1942, 1943, and 1944, but it is believed among members of the trade that acreages have been expanded in an effort to meet the needs of Mexico's rapidly expanding brewing industry. This is particularly true of the State of Baja California.

Actual production of grains and feeds in Mexico during the years 1935–43 and an estimate for 1944 are shown in the following table:

[In metric tons]

Year	Corn	Wheat [1]	Feed barley	Malt barley	Alfalfa
1935	1,674,566	346,630	75,796	5,869	1,568,000
1936	1,597,203	439,464	73,797	6,053	1,438,000
1937	1,634,730	342,594	70,888	6,586	1,488,000
1938	1,692,666	686,347	69,655	5,500	1,540,000
1939	1,976,731	428,784	90,362	6,774	1,736,000
1940	1,639,687	463,908	103,408	7,392	1,719,000
1941	2,124,085	434,293	92,666	8,609	1,805,000
1942	2,356,236	473,962	91,368	[2]	1,786,000
1943	1,775,000	429,574	[2]	[2]	1,872,000
1944 [3]	2,440,483	396,467	[2]	[2]	[2]

[1] Wheat is on a crop-year basis from July 1 to June 30.
[2] Not available.
[3] Estimate.

Alfalfa is the chief hay crop produced in Mexico. In many sections of the country, as many as 8 or 10 cuttings per year can be obtained.

South African Corn and Wheat Crops

The 1944 maize (corn) crop of the Union of South Africa was somewhat smaller than that of 1943 as a result of adverse weather conditions and plant pests. However, as some 3,000,000 bags of 200 pounds each, were carried over from the 1943 crop, the 1944 production of approximately 20,000,000 bags was sufficient for the country's requirements.

In view of the smaller crop and generally higher production costs, the Government increased the price paid to farmers from 16s. ($3.20) to 17s. 6d. ($3.50) per bag for the best grade with a supplementary payment of 6d. ($0.10) per bag to producers of 500 bags or less.

The 1943–44 wheat crop is estimated at 6,000,000 bags, which is approximately sufficient for domestic consumption.

Because of insect damage and unfavorable climatic conditions, the 1944–45 wheat harvest is expected to fall below the preceding season's production, and it may be necessary to import fairly substantial quantities of wheat.

Meats and Products

Pork Situation in Eire

There were 21,000 hogs in Eire ready for sale as bacon hogs on March 31, 1945, as compared with 22,000 on December 31, 1944, 25,000 on September 30 and 17,000 on June 30, 1944.

The approximate number of hogs of all ages on feed on March 31, 1945, was 110,000 as against 126,000 on December 31, 1944, and 150,000 on September 30.

Feedstuffs for hogs have become scarce. Oats are in short supply and prices are high, and potatoes are also reported to be scarce. Therefore, the finishing of hogs will be slow until the next harvest.

The number of hogs slaughtered at the bacon factories of Eire during the first quarter of 1945 was estimated at 83,600 as compared with 90,221 in the fourth quarter of 1944.

Bacon supplies were sufficient to meet about 39 percent of the normal demand of the home market in the first quarter of 1945.

Farm slaughterings were estimated at 55,000 in the first quarter of 1945 as compared with 57,000 in the preceding quarter.

Warehouse stocks of bacon totaled 2,520,000 pounds at the end of March 1945, as against 2,240,000 pounds at the end of December 1944 and 1,349,936 pounds on September 30, 1944.

Canadian Meat Supply

A sharp drop in hog production has reduced Canada's prospective meat supply well below that of 1944.

The 1945 supply of meat is unofficially estimated at 2,405,000,000 pounds, of which 26 percent will come from uninspected slaughter. At present rates of domestic consumption, one-third of the total will be available for export.

The inspected meat supply during 1945 will probably be about 1,777,000,000 pounds. Domestic needs, including ships' stores and noncivilian requirements, will absorb 972,000,000 pounds of inspected meat at the present rate, leaving 805,000,000 pounds available for export. Pork will constitute 881,000,000 pounds of the inspected supply, beef 784,000,000 pounds, and veal, mutton, and lamb the remainder. Immediate restriction of domestic consumption from inspected sources to average levels existing during the first 9 months of 1943 would cut requirements about 88,000,000 pounds. Much of this quantity would become available for export, but the exact gain would be determined by the amount of supplies lost to uninspected channels as a consequence of the restriction.

The following table shows Canadian meat supplies from inspected slaughter for domestic use and for export in the years 1943 and 1944 and the estimated supplies for 1945:

[In thousands of pounds]

Item	1943	1944	Estimates for 1945	
			If domestic consumption continues at present level	If domestic consumption is restricted to average level of January–September 1943
Pork:				
For domestic use	284,075	444,727	351,112	269,416
For export	636,401	720,475	530,434	612,130
Total	920,476	1,165,202	881,546	881,546
Beef:				
For domestic use	495,124	519,309	515,078	508,453
For export	13,549	162,064	269,167	275,792
Total	508,673	681,373	784,245	784,245
Veal:				
For domestic use	59,827	65,800	65,800	65,800
For export			5,000	5,000
Total	59,827	65,800	70,800	70,800
Mutton and lamb:				
For domestic use	33,058	39,530	40,000	40,000
For export	891	1,700	700	700
Total	33,949	41,230	40,700	40,700
Grand total:				
For domestic use	872,084	1,069,366	971,990	883,669
For export	650,841	884,239	805,301	893,622

Consumption of beef has increased very little since rationing was removed early in 1944. Civilian consumers had only minor difficulty in meeting their beef needs during the time that meat rationing was in force. What pressure there was on this commodity was primarily due to the shift in demand because of the scarcity of pork.

Quinine Situation in East Indies: Dutch Reveal New Facts and Outline Views

Dr. Pieter Honig, member of the Board for the Netherlands Indies, who recently returned to New York from a survey of the East Indies, declared today that his observations and last-minute underground reports show that the Japanese have been maintaining all quinine-producing equipment not destroyed by the Dutch early in 1942 when invasion was imminent.

"Our men in the occupied Indies report that quinine in the form in which we processed it, and packed in bottles like our originals, is steadily being produced by the enemy to fight malaria," said Dr. Honig, according to a statement issued by the official Netherlands Information Bureau.

"While we also know that no Dutch or Indonesians are getting this precious quinine despite our leaving some equipment intact for that purpose, we realize that the Japs have not destroyed trees or processing machinery because they also need quinine desperately and know they will still require it after they are defeated."

Much new equipment for processing cinchona bark into quinine, including 25 huge drying ovens capable of producing 2,200 pounds of dried bark per oven per day, is being purchased in the United States as rapidly as possible, Dr. Honig said. This new machinery, plus vast numbers of trees maturing whenever the Indies are freed, will result in greatly increased quinine production for fighting global malaria, he said.

Dr. Honig pointed out that because cinchona trees, from which quinine is extracted, mature in cycles, no acute shortage of either bark or drug can occur for about 15 years when the trees which have not been planted by the enemy in the last 3 years would normally be ready for harvesting. By that time, authorities believe, the war-caused gap in planting will be closed by other means.

"Because we in the Indies felt that our quinine factories were like hospitals for the maintenance of health, we left one of six major units intact when the Archipelago was invaded," Dr. Honig said.

"We did it in the hope that our own people would benefit by continuing to get quinine, and we thought we should keep at least one unit functioning of all those which had supplied the world with 95 percent of its quinine in peacetime. We also caused to be left in the occupied Indies 120 experts in cinchona cultivation so that these men and whatever equipment was available would be ready to plunge into volume production after liberation was achieved."

Sugars and Products

Peruvian Sugar Situation

Because of the deterioration of equipment on Peruvian sugar farms, a longer period will be required for overhaul this year and this may reduce the output during the first part of 1945. Notwithstanding this handicap, producers are of the opinion that Peru's output of sugar in 1945 will not differ widely from that obtained in 1944, or about 441,000 short tons, exclusive of chancaca. An estimated 22,000 tons were produced in January 1945.

Peruvian sugar consumption amounted to about 17,000 short tons in January 1945, as compared with 14,000 tons in January 1944. A revision of consumption figures for 1944, made recently by the National Agrarian Society, indicates that the quantity of sugar and chancaca actually consumed in Peru in that year totaled about 151,750 tons, instead of the 147,308 tons previously reported.

About 20,503 short tons of sugar were exported from Peru in January 1945, according to preliminary statistics, of which 16,713 tons were raw sugar, export type, and 3,790 tons were white refined sugar.

Apparent sugar stocks in Peru as of February 1, 1945, were roughly estimated at 44,000 short tons.

Vegetables and Products

Tomato-Juice Production, Canada

Production and sale of tomato juice has shown a tremendous increase in Canada in the past 14 years. In 1930, the pack consisted of 6,828 cases of twenty-four 20-ounce tins, whereas in 1944 the pack of Canadian-grown tomatoes reached approximately 4,000,000 cases, a 77-percent increase over 1943. It is reported that 70 percent of all tomatoes processed are packed in Ontario plants and the remainder in Quebec and British Columbia.

Furs

Fur Production, Manitoba, Canada

The value of fur production in Manitoba, Canada, reached an all-time record of $4,355,000 in 1944, and the Winnipeg market exported furs to another record value of over $8,000,000. Muskrat provided the largest revenue to Manitoba trappers, with pelts valued at more than $1,300,000.

U. K. To Take Steps To Revive London as Fur Center

The United Kingdom Board of Trade has announced its intentions to initiate steps toward revival of London as a world center of fur trade, states a Canadian publication. Preliminary efforts, it is said, are designed to permit the manufacture of utility fur apparel.

Skins classified for this purpose include sheepskins and rabbitskins as well as unexportable stocks of antelope, red fox, kitt fox, kid, lamb, hair seal, jackal, dingo, mole, hare, fitch, genet, opossum, and wallaby.

Iron and Steel

New Zealand's Imports

Iron and steel products imported into New Zealand in the calendar year 1944, with figures for 1943 in parentheses, included 61,405 hundredweight of barbed wire fencing (21,805); 86,731 hundredweight of plain wire fencing (47,909); 182,071 hundredweight of iron wire, other than fencing (667,990); 38,510 rolls of wire netting (7,812); 3,137 hundredweight of metal chain and chains (3,359); and chain belting valued at £NZ29,285 (31,600).

Production in Switzerland

The 1944 production of iron and steel in Switzerland from domestic iron ore, manganese ore, and scrap iron is claimed to be twice as high as that of 1939. Before the war Swiss iron ore was shipped to Germany for processing.

The iron smelting furnaces at Flums, Bex, Choindez, Wimmis, and Bodio have been enlarged and improved. Scrap iron has been collected consistently and the quota for 1945 has been fixed at from 160,000 to 180,000 metric tons. A shortage of coal is a difficulty still unsolved.

Oil-Well and Refinery Materials for China Over the Stilwell Road

Opening of the Ledo-Burma (Stilwell) Road into Asia will permit the United States to expedite transportation of materials for drilling oil wells and for increasing refinery capacity within China, Deputy Petroleum Administrator Ralph K. Davies said several days ago.

Security prevents revealing the extent of United States assistance and the increase in production and refining capacity that will result from installation of the new equipment, Mr. Davies added, because all of the finished products will be used for military purposes.

The Petroleum Administration for War, working in cooperation with other war agencies of the United States and with representatives of the Chinese Government, anticipated the opening of the Stilwell Road to such an extent that some of the new material has already been delivered to ports of Asia and is ready to be moved into China now.

"The oil-field materials and equipment will make possible more efficient, and possibly greater, crude-oil production in China," Mr. Davies said. "The refinery equipment will augment the present simple processing units that were made in China, will increase the quality and quantity of products now being manufactured, and will also permit the production of other petroleum products that cannot be made in existing units."

Mr. Davies pointed out that since the closing of the old Burma Road by the Japanese in 1942, only a trickle of supplies of industrial equipment has been moved into China because materials of all kinds, including munitions, which had top priority, had to be hauled by air transport.

"Whatever petroleum has been produced and refined in China to date has been made with the assistance of only an extremely small supply of materials from the outside," he said.

Leather and Related Products

Canadian Exports

Canadian exports during February 1945 of unmanufactured leather and manufactured leather were valued at $252,000 and $139,000 (Canadian currency), respectively, says a Dominion publication. This represented a decrease from exports during the corresponding month of 1944, which were valued at $290,000 and $221,000, respectively.

Hide and Skin Production, Mexico

Production of principal types of hides and skins in Mexico during February 1945 was estimated at 183,000 cattle hides, 3,500 calfskins, 177,500 goatskins and kidskins, and 60,210 sheepskins and lambskins. The output during the preceding month was estimated at 182,304 cattle hides, 3,500 calfskins, 190,060 goatskins and kidskins, and 89,010 sheepskins and lambskins.

Cattle-Hide Imports, Peru

Peruvian cattle-hide imports during 1944 amounted to 1,971,614 kilograms, a sharp increase over imports during 1943 of 804,753 kilograms.

There are about 60 tanneries operating in Peru. Of the more than 20 important ones, 13 are located at Lima.

Production in Nicaragua

During 1944 an estimated 90,000 kilograms of hides and skins, valued at $130,000, were exported from Nicaragua. In the preceding year, 226,511 kilograms, valued at $86,194, were shipped.

Tanneries generally produce about 1,500,000 pounds of leather annually, of which approximately 65 percent is sole leather; 10 percent, upper leather for shoes; 10 percent, luggage leather; 10 percent, saddle leather; and 5 percent, novelty leather.

Lumber and Products

Australian Imports

The value of Australia's imports of undressed timber during the second half of 1944 showed a marked increase over imports in the corresponding period in 1943, according to the foreign press. Comparable figures are shown as £423,000 and £239,000, respectively. Both totals are a considerable reduction from prewar imports of £763,000 during the 6 months' period July–December 1938.

Imports of wood and wicker during the last 6 months of 1944 were valued at £550,000, a substantial increase over the comparable 1943 figure of £299,000. During the second half of 1938, the value of imports in this group totaled £1,024,000.

Types of Plywood To Be Produced by New Plant, Canada

The new plywood plant under construction at Vancouver, British Columbia, Canada, by the Western Plywood Co., Ltd., will have an initial annual capacity of 15,000,000 square feet of ¼-inch plywood. It is planned to produce poplar- and western birch-faced plywood with coniferous cores, impregnated plywoods, special plywoods for furniture, and both exterior and interior plywoods for the building trades.

Holland's Textile Industry Resumes Production

In consequence of the watchfulness of the Dutch underground, many plants in Holland's textile district—centered around the towns of Almelo, Hengelo, and Enschede, in the eastern part of Gelderland Province—were able to resume production only a few weeks after the district was liberated by the Allies. However, since materials for civilian clothing are lacking, these factories will, for the time being, make uniforms exclusively.

Quick action on the part of the Netherlands Forces of the Interior on the approach of the Canadian forces prevented the Nazi demolition squads from wrecking the plants. The only damage was in Enschede where some equipment was put out of order.

Before the German invasion the Dutch cotton industry operated 1,260,000 spindles and employed 32,000 workers. In 1937 it produced $57,000,000 worth of goods. The woolen industry comprised 96 plants with 250,000 spindles, while 67 factories for knitted goods employed 11,000 workers and had a total production of $13,000,000.

Shortly after the German invasion, the Nazis took over many of the plants as "non-aryan" businesses and later, through some clever financial manipulation, transferred their ownership to German hands. Late in 1943, they made arrangements to ship most of the equipment into the Reich, but when its own textile centers at Gronau and Muenchen-Gladbach were destroyed by Allied bombers, Holland's textile center was put to work making clothing for German civilians who had lost their possessions in air raids.

Now, the plants will soon be returned to their rightful owners—if these are still alive.

The company expects to sell approximately 60 percent of the output in the United Kingdom.

Production on Gold Coast

The Gold Coast produced 54,000 tons of logs in 1944, a record output, according to an announcement by the Forestry Department. A large proportion of these logs was exported. Output at the Government sawmill at Kumasi averaged 16,500 cubic feet monthly. An additional sawmill has been established.

During 1944 the department began to supply railroad ties for the main line of the Gold Coast Railway, which has changed from steel to creosoted wood ties. A pressure creosoting plant has been ordered.

An average of 76,000 cubic feet of timber was handled monthly by the Forestry Department in 1944; in August the peak figure of 94,000 cubic feet was reached.

Increase in Production, Kenya

Despite wartime shortages of machinery, labor, and transportation, Kenya produced in 1944 more than five times the normal peacetime output of sawn timber and minor forest products such as poles and bamboo, according to the foreign press.

Efforts have been made to increase reforested areas. Approximately 3,500 acres were planted in 1944, considerably more than the annual prewar plantings.

Output of Logs and Timber, Spanish Morocco

The forests of Spanish Morocco, principally in the mountainous regions near the Algerian frontier, are largely undeveloped. Output of logs totaled 38,320 metric tons in 1942, whereas that of sawn timber amounted to 4,477 cubic meters, according to official figures. Production in 1943 and 1944 is believed to have continued at approximately the same level.

Supplies Since 1941, Tanganyika

Tanganyika has furnished 40,000 tons of timber for military use since 1941, says the European press. A large part was for railway ties.

Fiberboard also has been supplied in substantial quantities.

Sawed Timber and Railroad Ties Produced, Uganda

Uganda's production of sawed timber and railroad ties in 1944 was almost five times the prewar total, according to the foreign press. Ten percent of the output was taken by civilian users, 82 percent was used for military purposes, and 4 percent each was taken by the Uganda Government and the Kenya and Uganda Railways and Harbours.

Machinery, Other Than Electrical

Rock-Crushing and Construction-Materials Equipment, Sao Paulo, Brazil

Estimates of prewar imports of rock-crushing and construction-materials equipment into Sao Paulo, Brazil, show that 90 percent of the heavy jaw crushers, including portable rock-crushing plants, came from the United States. Of the lighter-jaw crushers, 50 percent was from Germany, and the remaining 50 percent supplied by England and the United States. Asphalt-bituminous mixing plants were imported in about equal quantities from France, Belgium, England, and the United States. Roll crushers were received almost entirely from the United States and vibrating screens, from Europe and the United States. There were no known imports of gravel-washing plants.

Jaw crushers with capacities of from 1 to 20 cubic meters an hour are manufactured by three small plants in Sao Paulo. Production began in 1941. Practically all of the units are portable. All-steel jaws are made by only one manufacturer, jaws of semisteel being produced by the other plants. The motors are imported, chiefly from the United States, gasoline motors being used for the smaller units and Diesels for larger models.

Brewery Machinery Needed for Postwar Expansion, Chile

A large percentage of the machinery used by the brewery industry in Chile was imported before the war from Germany, but now the United States is considered a major source of this equipment. None is produced in Chile.

Factors influencing future purchases of brewery machinery include reasonable credit terms, availability of descriptive advertising literature in Spanish, exact observance of specifications, and proper packing to prevent breakage in transit.

Extensive plant expansion is reported to be planned for the immediate postwar period by most of the large breweries. The largest producer and distributor of beer in Chile is reported to be in the market for a considerable amount of replacement equipment and machinery. The plant is operating with units having a combined daily rated capacity of about 115 bottles a minute, with 10 bottle fillers and 5 bottle washers. The larger breweries do not employ stills, and their equipment is entirely automatic. Hand methods are used only by a few small breweries.

Beverage Machinery Needed in Cuba

Cuban manufacturers of nonalcoholic beverages plan either to replace present equipment or to increase production by the addition of complete bottling units. They are reported to be looking to the United States as the source of equipment. Machinery now in use was manufactured in the United States and with few exceptions is from 10 to 25 years old.

Bottling machines in use in the larger plants have capacities of 96 to 120 bottles a minute for either one-half pint or pint sizes, and the capacity of bottle washers is about the same or higher. Only one firm in Cuba is known to have a labeling machine and an automatic case packer.

Bottling machinery and parts exported from the United States to Cuba were valued at $51,687 in 1938, $87,601 in 1939, $33,312 in 1940 and $198,821 in 1941.

Cotton Spindles in India

Spindles installed in 405 textile mills of India totaled 10,197,087 as of August 31, 1944, and the average number of spindles at work during the year totaled 9,473,183, according to statistics compiled by the Millowners' Association, Bombay.

Needles Required for Hosiery Machinery, India

A shortage of needles for cotton-hosiery machines in India has been the cause of a large number of machines being idle, the foreign press reports.

With a view to restoring production to the former level, information is being collected by the Indian Government on

the makes of the hosiery machines in use and the quantities of needles required, together with the productive capacity of the machines.

MACHINERY TO BE IMPORTED FOR EXECUTION OF INDUSTRIAL PROGRAM, PORTUGAL

A need in Portugal during the next 8 years for machinery imports valued at $42,000,000 is regarded as a probability in the industrial program.

The first orders are expected to come from potential industries. The need is less urgent for equipment for existing enterprises.

Motion Pictures and Equipment

THEATERS REQUESTED TO SHOW ARABIC FILMS, EGYPT

In order to increase the market for Egyptian-produced motion pictures, the Egyptian Government has asked the operators of theaters in Cairo to show Arabic films for at least 4 weeks of every season, according to the Egyptian press. Theater owners, however, are said to have questioned whether there are sufficient first-rate pictures being made by Egyptian producers to supply the better motion-picture houses in Cairo for that long a period each season.

EFFECT OF THE WAR ON FRENCH MOTION-PICTURE INDUSTRY

The motion-picture industry in France is being affected by wartime conditions. In 1943 gross receipts totaled 3,500,000,000 francs, but since January 1944 the industry has been virtually at a standstill. Lack of raw materials and the complications involved in the government's seizure of the large segment of holdings acquired by the Nazis have greatly hampered operations. There has been no material damage to plants or property, however, and members of the industry estimate that it could easily produce 66 feature films a year. At the same time the market is large enough to permit the showing of from 110 to 120 foreign films annually.

ADVANCE IN MOTION-PICTURE BUSINESS, NICARAGUA

Mounting receipts were reported by the motion-picture theaters of Managua, Nicaragua, during the first 10 months of 1944. Box-office receipts amounted to $202,074, or a gain of $6,488 over the $195,586 taken in during the 12 months of 1943. The city's 10 theaters indicated that 2,789 shows had been held. Tickets sold numbered 707,833 for first-class seats and 1,843,348 for second-class, making an average attendance of approximately 900 persons at each show.

Nonferrous Metals

PLANS FOR NEW LEAD SMELTER IN BOLIVIA

Construction of a lead smelter in southern Bolivia is under consideration, according to a recent press report, for the purpose of stimulating lead-mining activities and providing exportable refined metal. At a cost of about $100,000, the proposed smelter would produce between 300 and 400 tons of refined lead a month.

The location tentatively selected for the smelter is at the junction of the Tupiza and San Juan del Oro Rivers in the Province of Sud Chichas in southern Bolivia.

PRODUCTION IN SOUTHERN RHODESIA

Production of gold in Southern Rhodesia in 1944, valued at £4,978,922, represented a decrease of £537,224 compared with the value in 1943, according to the foreign press. An increase of £100,000 is reported, however, in the production of base metals, valued at £3,433,379 in 1944.

Nonmetallic Minerals

CEMENT SUPPLIES INCREASE, CUBA

Manufacture and importation of cement into Cuba increased in 1944. The reduction in requirements for war-essential projects made large quantities available for public and private building activity. Cement manufactured in Cuba increased to 1,022,060 barrels in 1944 from 997,700 barrels in 1943, and imports totaled 339,265 barrels in 1944 compared with 49,359 barrels in 1943.

CEMENT PRODUCTION REDUCED, SWITZERLAND

A 30 percent reduction in cement production in Switzerland is expected in 1945 because of the shortage of coal. The quantity of cement marketed in 1944 totaled 422,000 metric tons compared with 368,000 tons in 1943 and 440,000 tons in 1942. Annual consumption before the war averaged between 600,000 and 800,000 tons.

Preparations are being made for the installation of electric Voltaic arc furnaces at one cement plant.

Oils, Fats, and Oilseeds

PRODUCTION OF OILSEEDS, ARGENTINA

Argentine production of sunflower seed in 1943–44 amounted to 1,072,000 tons; cottonseed, 180,000 tons; and peanuts, 198,900 tons, reports the press of Argentina.

OILSEED PRODUCTION NOT MEETING DEMAND, COLOMBIA

Domestic production of copra in Colombia is averaging between 1,500 and 2,500 short tons annually. Prewar imports of this product amounted to about 7,000 tons, reports the foreign press. Production of oilseeds in Colombia has not increased sufficiently during the war years to meet domestic demand.

COCONUT PRODUCTION, INDIA

The area planted to coconuts in India amounts to about 1,500,000 acres, yielding approximately 3,000,000,000 nuts annually. Production could be increased by intercultivation and fertilization on a wide scale, says the British press.

During the years 1940–41 and 1941–42, imports of copra averaged about 100,000 tons and of coconut oil, 54,000 tons. Before World War I, India was a net exporter of both copra and coconut oil.

MEXICAN PRODUCTION OF MEALS AND CAKES

Production of oilseed meals and cakes in Mexico during the years 1935–44 were estimated as follows:

Year:	*Metric tons*
1935	70,221
1936	91,090
1937	92,101
1938	80,103
1939	88,997
1940	90,408
1941	116,392
1942	127,428
1943	141,204
1944	156,194

Production of meals and cakes from vegetable oilseeds and copra has been

Newsprint Import Prospects Weighed by Government and Industry

Prospects of obtaining additional newsprint from Canada and Scandinavian sources during the second half of 1945 and the possibility of obtaining 30-pound newsprint were discussed by members of the War Production Board's Newspaper Industry Advisory Committee in a recent Washington session, WPB reported several days ago.

It is hoped that Canada will be able to ship between 5 and 6 percent more newsprint to United States customers in the second half of 1945, despite increasing demands on the Dominion's paper mills, members of the committee were told by Printing and Publishing Division officials. While the cut of pulpwood has increased, Canada's ability to increase the supply of newsprint depends upon favorable weather conditions, maintenance of adequate coal supply, and sufficient manpower, it was pointed out. Great Britain's pulp and paper requirements have increased recently and, following V-E Day, will increase materially but will be filled mainly from Scandinavian sources. Larger demands from Australia also will have to be met shortly by Canadian paper manufacturers, the committee was told. However, a more definite report of newsprint production is expected from Canadian officials during the present month.

Expectations of obtaining any considerable amounts of wood pulp and newsprint from Scandinavia in the near future were said to be unwarranted, because of the needs of European countries for those products, and lack of shipping facilities, even after the Skagerrak is opened to commerce. Any available pulp and paper will go into a free market, it was explained, and be subject to commercial contracts with prospective purchasers. Scandinavian production indirectly will relieve North American supplies.

A conference has been arranged for June 4 at Montreal, following the invitation of Canadian newsprint manufacturers to consider again 30-pound newsprint production. The full committee endorsed the "30-pound newsprint" task-group plan, with particular emphasis on the need for added printing surface area in order to meet adequately the needs of public service. The committee volunteered to furnish all available data on light-weight newsprint and to cooperate with Canada in its development and production, reiterating its desire to have the benefit of 30-pound paper. Members also expressed their appreciation of the revived interest in the production of light-weight paper in Canada and voiced their regret that the experiment had been abandoned last year.

The deferment by Canadian mills of United States orders in excess of Canada's commitment to supply United States customers with 200,000 tons of newsprint monthly was discussed fully at the recent meeting. It was reported that an accumulation of 57,000 tons of over-orders since January 1, 1945, had resulted from increased Government and military requirements and possibly those of other users who had adopted newsprint instead of other grades of paper now unavailable.

War Production Board officials stated that Canadian authorities believed that the over-ordered amounts can be wiped out in a few months if all users of newsprint will comply promptly and fully with the required reduction of delivery quotas.

increasing in Mexico. About one-half of the total production of vegetable oilseed meals and cakes consists of cottonseed meal or cake. About one-fourth of the total production during the past 2 or 3 years has been sesame. Before the war, a large proportion of the total production was copra meal or cake.

Mexico has not had any real shortage of these vegetable oilseed meals or cakes for its own feed needs. For a number of years, it has had excesses of these feeds for export.

Petroleum and Products

Production Shows Upward Trend, Colombia

Production of crude oil in Colombia in 1944 increased 70 percent over the preceding year, amounting to 22,647,476 barrels as compared with 13,261,065 barrels. Exports of crude oil were 73 percent larger in 1944 than in 1943, or 18,561,431 barrels as compared with 10,723,862 barrels. Refinery throughput increased from 3,427,718 barrels to 3,854,742 barrels.

The output of local refineries was sufficient to supply most of the refined petroleum and petroleum products consumed in Colombia with the exception of the Pacific coast and Cauca Valley requirements, obtained from Talara, Peru, and certain lubricating oils and aviation gasoline imported from the United States.

The major oil companies operating in Colombia intensified their explorations for new wells during the year. Wildcat drilling operations continued to bring encouraging results. The sharp rise during the year in the number of applications for concessions was indicative of the trend. In 1943, there were 13 applications and in 1944, a total of 78. The combined holdings of all United States companies in Colombia approximate 10,000,000 hectares.

The companies have managed to increase the total proved reserves and have stimulated production by the efficient and ingenious use of the short supplies of material and equipment. No concession was declared in default in 1944.

Shortage of Products Used for Fuel, Mexico

A number of industries producing strategic materials in the State of Chihuahua, Mexico, are facing curtailment of their activities as a result of a shortage of petroleum products used for fuel. Mines, lumbering units, farms and cattle ranches, as well as other industries, are affected. Rationing of fuels in industrial areas has only partially relieved the shortage, which is largely the result of lack of tank cars to transport needed supplies. Petroleos Mexicanos, the Mexican company which normally serves the section, has indicated that it will be unable to supply more than 388,926 gallons of the total 851,900 gallons of gasoline, Diesel oil, distillate and kerosene needed monthly.

Production and Trade, Peru

Petroleum production and refining in Peru during the year 1944 were as follows:

	Barrels
Crude petroleum	14,385,926
Natural gasoline	1,033,768
Refined gasoline	4,038,237
Kerosene	1,043,559
Diesel fuel	2,640,753
Bunker fuel	5,966,209
Lubricating oils	38,498
Asphalt	71,599
Coke	505
Residue and losses	213,540

Domestic consumption of all petroleum products increased approximately 26 percent in 1944 over 1941. Gasoline was up 13 percent; kerosene, 36 percent; Diesel fuel, 23 percent; and residual fuel oil, 30 percent. Increases in consumption of gasoline, kerosene, and Diesel fuel during 1944 amounted to 12, 17, and 17 percent, respectively, as compared with 1943. Factors contributing to the advance in petroleum consumption were: wartime prosperity, increased demand from domestic industries, the country's network of new highways which encourages long-distance pleasure driving and trucking, absence of rationing, and low ceiling prices.

The rising trend in the consumption of aviation gasoline continued during 1944. Whereas in 1941 the locally manufactured product was only 4½ percent of the total domestic gasoline sales, it was 7 percent of the figure for 1944.

Gasoline, bunker "C" fuel oil, and kerosene were shipped in sufficient quantities to appear among the chief exports of Peru for the year 1944. Exports of these commodities were as follows: Gasoline, 449,372 metric tons, valued at 61,100,000 soles; bunker "C" fuel oil, 627,292 metric tons, valued at 17,800,000 soles; and kerosene, 91,221 metric tons, valued at 5,700,000 soles. Kerosene exports were 21,667 metric tons larger than during the preceding year. Quantities of gasoline and bunker "C" fuel oil shipped were 55,860 and 164,381 metric tons, respectively, less than in 1943.

Rubber and Products

Industry in Nicaragua

Nicaraguan exports of rubber were valued at $1,000,000 during 1944. This amount represents 7 percent of the total value of exports for the year.

Tapping of rubber trees will continue, but prospects for opening up new areas are slight.

Tire Situation Improved, Peru

An improvement took place in Peru's tire situation during 1944 over what it was in 1943. An increase in the number of tires produced locally, the domestic manufacture of sufficient camelback for all retreads, and a growing interest in tire conservation were contributing factors.

During the year the Peruvian tire factory, which is a subsidiary of a United States firm, turned out 13,900 truck and 12,600 passenger-car tires as well as 16,500 inner tubes, which were sufficient to supply the major part of the country's essential tire needs. The factory's production in 1943 was limited to 4,419 truck and 3,371 passenger-car tires and 2,624 inner tubes, as operations were not begun until September.

It is expected that the installation during 1945 of additional molds and other equipment on order in the United States will result in further increased production.

Special Products

Imports into Canada

Amusement and sporting goods imported into Canada in 1944 were valued at $2,219,000 compared with $1,056,000 in 1943.

Canada's imports of personal and household equipment, including refrigerators and parts, in 1944 were valued at $5,830,000 compared with $3,942,000 in 1943. Of these totals, refrigerators and parts accounted for $134,000 in 1944 and $154,000 in 1943.

Peruvian Pottery Industry

The Peruvian pottery industry consists of five plants. Articles manufactured include common undecorated household china tableware (not in sets); ornamental pottery, porcelain spoons, electrical porcelain insulators, industrial crucibles, and porcelain guides for textile mills.

In addition there are small home industries which produce water jars, flower pots, money banks, and other items. There are also manufacturers of roofing tiles, refractory bricks, and other building items.

Raw materials available in Peru include china clay, ball clay, feldspar, and borax. Several plants use Peruvian colors of black, green, lead, red, and yellow, but most companies import their colors from the United States. Crude oil is used for fuel, except in one plant where electricity is employed in one small kiln.

The 4 plants which use machinery employ a number of different types of Peruvian and German design. The fifth plant, which produces only ornamental pottery and porcelain spoons, uses no machinery. One plant has 30 semi-automatic jiggers, while the other three use the manual type. Two plants have no mixers, puggers, or filters, and 3 have no driers. One plant has 1 vertical and 1 horizontal drier and 1 hand-type lining machine made in Peru. Only one plant owns a decorating machine and it is not in use. Three of these plants have no conveyor system. Some badly needed machinery has been ordered by one of the larger plants.

About 225 people are now directly employed by the five pottery plants. Of these, 67 percent are men and the remainder are women. No children under 14 years are employed. Before the war the industry employed 58 people, of which 60 percent were men. The average workweek is 48 hours for men and 44 for women. The daily wage for an 8-hour day at present is approximately 6 soles for men and 3 soles for women, compared with 3 soles for men and 2 soles for women in the pre-war period.

Prior to 1936 water bottles were the main item of pottery produced in Peru. In that year, however, the commercial production of dishes and ornamental pottery commenced and these are now the chief articles made. Tiles are not produced commercially, although some white glazed, bathroom tiles have been made by one company for special purposes. This company is now interested in the manufacture of sanitary ware. Electrical porcelain insulators and porcelain guides for textile mills are made only on special order. Crucibles for gold and silver are produced in sufficient quantities for domestic needs. A side line of the three plants making ornamental pottery is the painting of local scenes on white tiles.

These tiles are used in various ways. Tiles forming a complete picture are hung on a wall or set into a wall; they also are used for hot plates, or as tops of iron and/or wooden serving tables, in which latter case a glass top is added. This business is growing in importance.

Local deliveries are usually packaged in corrugated paper cartons. For shipments outside of Lima and Callao and for export, wooden boxes are employed. Sometimes these boxes are second-hand and sometimes they are made locally from any lumber available.

Profits from the pottery industry in Peru have so far been low, but substantial profits are now anticipated. Peruvian pottery plants reportedly are not interested in United States capital, but are desirous of technical assistance and machinery.

Plain white chinaware of a higher quality than the domestic product has been imported for years. Prior to the present war, however, Japan was the chief supplier, and the Japanese product reportedly was lower in price than the local product.

Importers of china and pottery products prefer to deal directly with factories in the United States, rather than through an exporter, because of the larger selection thus obtained. United States factories, wishing to sell to Peru, should be sure that designs and shapes are suitable for that market and, when the wartime necessity for using corrugated containers has passed, should utilize wooden barrels for packaging, as Peruvian importers are willing to pay an additional charge for goods so packed.

Textiles and Related Products

Australian Imports

The value of imports of textiles into Australia during the last 6 months of 1944 was reported recently in the foreign press. Selected items, with comparative figures for the corresponding period of 1943, are given in the following table:

Item	July–December 1943	July–December 1944
Raw cotton	£A443,000	£A709,000
Cotton and linen piece goods	6,462,000	9,309,000
Hessians	1,842,000	753,000
Piece goods, silk or containing silk	2,256,000	3,168,000
Corn and flour sacks	1,038,000	1,499,000
Chaff, bran, and fodder sacks	217,000	159,000
Woolpacks	622,000	771,000
Rayon yarns	646,000	614,000
Cotton yarns	339,000	667,000

Developments in Madeira's Embroidery Industry

Despite almost complete wartime cessation of the tourist trade, Madeira's embroidery industry flourished last year. This is of particular importance to the Islands because about one-fifth of the entire population is in some way connected with that industry.

Exports of embroideries during 1944 were valued at 121,669,516 escudos, as compared with 68,076,014 escudos in the preceding year. (One escudo=about 4 cents United States currency.) Exports in 1945 are expected to be even higher, judging by orders on hand in March. Sales to the United States in 1944 were more than those to all other countries combined, and more than double those of the preceding year.

Cotton and Products

Production of Fiber, Belgian Congo

Approximately 34,000 metric tons of cotton fiber were produced in the Belgian Congo during 1944 as compared with a peak of 47,000 tons in 1941. The regression is explained by the fact that many people have diverted their attention to rubber production. Unfavorable weather also has contributed to the decline.

Cotton Industry in Ceylon

Cultivation of cotton in Ceylon has decreased sharply in recent years because of the Government's emphasis on food crops. During 1942, 3,648 hundredweight of cotton was produced, but only 290 in 1943 and 16 in 1944. (One hundredweight=112 pounds.) The island's cotton spinning and weaving firm con-

sumed 17,000 hundredweight of cotton in 1943 and 16,946 in 1944. Further quantities are consumed in hand weaving which has developed into a good-sized cottage industry. Consequently, consumers have become increasingly dependent upon foreign sources, and 8,340 hundredweight of raw cotton was imported in 1942, 19,889 in 1943, and 16,697 in 1944.

Approximately 60,000,000 yards of cotton piece goods are imported annually.

Cotton Industry, India

During the year ended August 31, 1944, raw cotton consumed by mills in British India and the Indian States aggregated 4,843,112 bales of 392 pounds, according to statistics compiled by the Millowners' Association of Bombay. At that time India had 405 textile mills with 10,197,087 installed spindles.

Mexican Cotton Crop

Mexico's 1944 cotton crop is estimated at 504,280 bales, of which between 187,962 and 190,000 bales were grown in the Laguna region.

Planting for the 1945 crop has been reduced somewhat, covering from 100,000 to 110,000 hectares. Prospects are good, and despite the reduced planting the crop may equal that of 1944.

Cotton Yarn Exported, U. K.

Exports of 19,618,400 pounds of cotton yarn from the United Kingdom in 1944, were somewhat higher than during the 2 preceding years. According to a British periodical, shipments were made to the following countries in the quantities indicated:

[Quantities in pounds]

Country	1942	1943	1944
Eire	2,316,100	1,974,500	1,437,800
British West Africa	356,300	543,400	666,200
Union of South Africa	2,015,500	3,741,300	4,288,900
British India	60,300	63,500	41,400
Hong Kong	3,200		
Australia	4,234,800	3,415,300	4,999,300
Canada	4,608,800	5,016,900	4,891,800
Other British countries	1,173,600	1,611,800	2,068,100
United States	538,900	2,097,300	1,023,200
Brazil	3,400		
Uruguay	227,600	12,000	
Argentina	1,367,900	143,100	3,600
Other Foreign countries	1,845,300	597,700	198,100
Total	18,751,700	19,216,800	19,618,400
Total value	£3,394,346	£3,342,329	£3,286,395

Silk and Products

Developments in Industry, India

Silk culture in the State of Mysore, India, has developed rapidly in recent years, according to a British trade publication. Mulberry cultivation has advanced from 30,000 acres in 1939 to 70,000 in 1944.

Filature expansion has been undertaken, and 1,500 basins capable of producing about 450,000 pounds of raw silk a year are in the process of completion, about 600 being already in operation. Particular attention is being devoted to producing a high-standard silk for parachutes. A conditioning and testing house has been constructed at Chattapatna to assist in this endeavor.

It is hoped to develop the silk industry further as soon as peace is restored. No increase in mulberry acreage may be made without a special license, because it is necessary at present to grow as much food as possible.

Attention: Watch Importers

The Department of State has requested the Department of Commerce to advise the American watch-importing trade of the current procedure for securing air priorities for Swiss watch-repair material. This Department has designated the American Legation at Bern to receive applications and issue priority certificates for shipment by air to the United States of watch-repair materials.

The Army Air Transport Command has recently authorized the use of a collect airwaybill which should facilitate the movement of imports by air, in that the transportation charges do not have to be paid until receipt of the shipment in the United States. Otherwise, transportation charges of approximately $1.00 per ton-mile will have to be prepaid by the Swiss suppliers.

Commercial cables to Swiss suppliers are, of course, subject to censorship at the present time and will not be passed if specific airplane routes are mentioned or if reference is made to the Army Air Transport Command.

Hereafter, applications for watch-repair materials will not be received and acted upon in the United States. The procedure outlined above must be followed in all instances.

Synthetic Fibers

Brazilian Rayon Output

Approximately 9,297 metric tons of rayon were produced in 1944 by the five rayon manufacturers in Brazil. Total production in 1943 amounted to 7,367 tons and in 1942, 8,093 tons. Of the 1944 output, 27 tons were cuprammonium and 541 tons, staple fiber.

Production since 1940 appears to have been sufficient for domestic consumption, with a small surplus for export. Imports consist primarily of types and qualities not made in Brazil.

Wool and Products

Wool Appraisals, Union of South Africa

South African wool appraisals by the British Wool Commission reached a total value of £4,024,073 from the beginning of the season in September 1944 until the end of January 1945, states a British publication.

Wool Stocks and Exports, Scotland, U. K.

Scotch blackface-wool stocks at the end of the first quarter of 1945 were estimated between 2,500,000 and 3,500,000 pounds. Some haslock also was in store.

Three allocations totaling 2,297,865 pounds of blackface wool have been made for export since October 1944, according to the Scottish Wool Control Board.

Miscellaneous Fibers

Jute-Mill Stocks, India

As of December 31, 1944, Indian jute mills had stocks, exclusive of Government orders, comprising 263,024,709 yards (67,108 tons) of hessian cloth and bags, and 244,147,200 yards (101,904 tons) of sacking cloth and bags, according to a British trade publication.

Wearing Apparel

Demand for Knitwear, U. K.

The United Kingdom's Hosiery and Knitwear Export Group, at their annual meeting in Liecester, expressed confidence in their ability to quadruple Britain's exports of knitwear in the postwar era, states a British trade journal. "A world-wide demand for British products is waiting to be satisfied," said the chairman of the group, and "we shall increase our export trade for British knitwear from its prewar value of about £2,500,000 a year to at least £10,000,000 a year."

Tobacco and Related Products

Imports into British Guiana

Imports of tobacco leaf into British Guiana in 1944 amounted to 614,485 pounds, valued at $257,301 (British Guiana currency), compared with 680,426 pounds, valued at $227,444 in the preceding year, according to the press of that country. During 1944 cigar imports totaled 896 pounds, valued at $4,499, compared with 836 pounds, valued at $3,401, in 1943. Cigarettes totaling 4,062 pounds, valued at $7,036, were received in 1944, whereas 1943 imports amounted to 13,297 pounds, valued at $22,560. Other imported tobacco manufactures totaled 6,576 pounds, valued at $6,584, in 1944, compared with 51,732 pounds, valued at $71,893, in 1943.

Exports from Jamaica, B. W. I.

Exports of tobacco and cigars from Jamaica, British West Indies, in 1944 totaled 154,888 pounds, valued at £155,738, compared with 156,762 pounds, valued at £120,670 in the preceding year.

Tobacco Acreage Unrestricted, Canada

The directors of the Ontario Flue-Cured Tobacco Marketing Association have permitted members to grow as much tobacco as they desire during 1945 to

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News by COUNTRIES

(Continued from p. 27)

addition, all collective farms shall be free from the obligation of furnishing draft power to the State for 1 month prior to the beginning of field work. All draft animals must be rested for 3 weeks before their work begins.

MEASURES FOR THE INCREASE OF YIELDS

In the interest of a high agricultural yield a number of general instructions are listed, such as careful agrotechnical measures for the conduct of spring sowing to be worked out jointly by agronomists and farm managers; measures for the retention of snow, water, and for prevention against drying out, the care of young crops; the utilization of locally available fertilizer; the allocation and supervision of seed plots; the increase in use of fallow land; the correct allocation of crops for the best results in the operation of crop rotation, including perennial legumes and cereal grasses; and the restoration of sown areas and yields of summer wheat to the prewar level in the Southwest Urals, Kazakhstan, and Siberia.

Fields allocated for the sowing of cotton must have two spring plowings instead of autumn plowing; those plowed in the autumn must be replowed in the spring; all hard ground must be broken up.

Cotton seeding by tractor must cover 80 percent of the total area during 1945. Cotton plants should be thinned out, leaving from 75,000 to 100,000 plants per hectare, depending on the fertility of the soil. Fields must be kept suitably moist, without flooding, and no less than five deep-soil cultivations must be carried out in course of the season. To prevent a waste of water, deep plowing (25 centimeters) of the cotton-growing area should be carried out in the autumn of 1945.

The Uzbek and Turkmen Republics are instructed to restore alfalfa planting in several of their Provinces.

The administrations of the individual republics and the respective party organs are instructed to plan sugar-beet plantations within a radius of 15 kilometers from sugar refineries, increasing the radius to between 20 and 25 kilometers in exceptional cases. Sugar beets must be sown at the proper time, allocating the best available lands for that crop, and no less than 5 irrigations should be carried out where necessary. Fertilizer, organic as well as mineral, should be accumulated and stored by each collective farm prior to the spring-sowing campaign.

Oil-bearing plants must be distributed rationally within each farm area, preferably on land plowed in the fall. The Commissariat for Agriculture has been instructed to restore in 1945 the work of the selecting and experimental stations for oil-bearing cultures in the liberated areas, in order that new and better-yielding types of sunflower, mustard, and other seeds may be introduced.

To encourage collective farmers to grow oil-bearing plants, part of their deliveries of grain to the State will be accepted in the form of oilseeds. Collective farms will be given 2 centners of grain for each centner of mustard, soybean, and other seeds delivered by them in excess of the obligatory deliveries to the State.

The issue of oil and oil cake to collective farms, as payment for the compulsory deliveries of oilseeds, is to be extended to seeds coming in from the farms in payment for M. T. S. services, as was done in the harvest of 1945.

Uruguay

Tariffs and Trade Controls

Corn and Wheat By-Products: Duty-Free Importation Authorized During Current Year.—Consumable corn and wheat byproducts considered indispensable for the preparation of balanced feed have been authorized importation into Uruguay free of import duties, additional customs charges, and all port charges, during the current year, according to a decree dated March 20, 1945, published in the Diario Oficial of April 9, 1945.

The Official Service for Seed Distribution was authorized to import the abovementioned products required by official institutions for fodder or for industrial purposes.

Peas and Lentils: Duty-Free Import Quotas Established.—Up to 2,000 tons of peas and 1,000 tons of lentils have been authorized importation for Uruguayan consumption, free from duties and additional customs charges according to a decree dated April 13, 1945, published in the Diario Oficial of April 19, 1945.

The Honorary Control Commission of Exports and Imports will handle the distribution of these quotas.

The reason for granting the above import-duty exemptions was to lower the price on these imported products.

Potatoes: Import Quota Established.—The Bank of the Republic has been authorized to import into Uruguay up to 10,000 tons of potatoes for consumption, to be conditionally exempt from import duties and additional charges on the basis of a comparison of the c. i. f. cost of the imported potatoes with that of the price fixed for domestic potatoes, according to a decree dated April 4, 1945, published in the Diario Oficial of April 14, 1945.

Untanned Rabbit and Hare Skins Used in the Manufacture of Hats: Temporarily Included in the Raw-Materials Schedule of Tariff at Reduced Rate of Duty.—Untanned rabbit and hare skins used in the manufacture of hats have been included in the raw-materials schedule of Uruguyan customs tariff for a period of 1 year beginning March 16, 1945, and were made dutiable at 15 percent plus a surtax of 21 percent of a fixed official customs valuation of 4.55 pesos per net kilogram, according to a resolution dated March 16, 1945, published in the Diario Oficial of April 19, 1945.

These skins were formerly dutiable at 44 percent plus a surtax of 21 percent of the fixed official customs valuation mentioned above.

The firms, which import these skins for processing under the above concession must purchase the whole national production of these articles on the market, paying not less than 0.45 peso for each first-class hare pelt.

Wild Game: Exportation Restricted.—The exportation from Uruguay of wild game, with certain exceptions, has been restricted until further notice to authorized shipments, by a decree dated March 20, 1945, and published in the Diario Oficial of April 4, 1945.

Hares, weasels, small foxes, lizards, and poisonous vipers are excepted from the export restrictions imposed by this decree. Authorization for the exportation of these animals will be issued by the Executive Power.

Venezuela

Transport and Communication

Improvements in Transportation Facilities.—The Government of Venezuela is again seeking a solution to the country's transportation problem, particularly with regard to transportation facilities between Caracas and its seaport, La Guaira. Serious consideration is being given to the feasibility of building a tunnel, which would reduce the distance to about one-third of that of the present steep, winding highway and railroad. A large increase in traffic between these cities is expected in the postwar period.

Revisions in Air Services and Schedules.—Various changes in air service and schedules have been made in Venezuela recently. A new schedule of flights was made effective by the government-owned Línea Aeropostal Venezolana (LAV) on February 26. The revised schedule, involving a slight increase in route miles, established a new service to Elorza (State of Apure) and increased the frequency of stops at Las Piedras (State of Falcon) and San Felix (Bolivar). The new service to Elorza has been established in recognition of the importance of this remote town as a center of the cattle trade with San Cristobal (State of Tachira) and Cucuta, Colombia.

Línea Aérea Taca de Venezuela inaugurated on March 7 flights over routes extending from Maiquetia, the airport serving Caracas, to points in western Venezuela.

A new schedule of flights between Maiuetia and Miami, Fla., was placed in effect by Pan American Airways, Inc., on March 9. The new schedule offers travelers more convenient hours and better connections.

Approval of a revised schedule of international flights by Koninklijke Luchtvaart Maatschappij (KLM) and of several "eventual" services was granted on March 6, 1945. The changes affect the hours and days of flights between Maracaibo and Maiquetia, and Aruba and Curacao, Netherlands West Indies. The number of round-trip flights between Curacao and Maiquetia was increased from five to six per week.

Trade-Mark Applications

Argentina.—Notice of applications for registration of the following trade-marks was published in the Boletin Oficial of April 10, 1945. Opposition must be filed before May 14, 1945:

Trade-mark	*Class No. and product*
Bebe	2—Entire class, except in tablet form.
Tisco	4—Entire class.

Guatemala.—Notice of applications for registration of the following trade-marks was published in the Diario Oficial. Opposition must be filed within 40 days from the date of first publication:

Trade-mark	Class No. and product	Date of first publication
Club (Cerveza Suave)	48—Beer	*1945* Apr. 19

Ecuador.—The following trade-marks have been filed on the dates indicated. In Ecuador a period of 2 to 3 months expires before the first notice of the mark is published. Thirty days from such publication is allowed in which to file opposition, although a protest may be received before Ministerial Resolution granting the registration is made. Such Ministerial Resolution is usually signed within a period of 1 week to 1 month after the date of last publication is usually made within 30 days from first publication:

Trade-mark	Product	Date of application
		1945
Promesa	Perfume and toilet articles in general.	Apr. 2
Martilla	do	Do.
Meorigrama	do	Do.
Derbsom	do	Do.
Piled Arms	Small arms in general, bicycles, parts, motorcycles, parts, automobiles, parts, small tools, all classes of machinery and machinery tools.	Do.
B. S. A	do	Do.
Aliamza	Wheat and corn flour	Do.
Tiscrom	All classes of products, particularly iron and steel, textiles, soap, oils, toilet and chemical preparations.	Apr. 3
Tiscor	do	Do.
Tisco	do	Do.
Tata	do	Do.
Chemico	Substances for polishing, cleaning and bleaching, stain removers, etc.	Apr. 5
Grafa	Cotton and linen fabrics	Do.
Tex	Face soap	Apr. 12

Government Aids to Foreign Trade

(Continued from p. 5)

tries. This method was chosen as more practicable and more effective than a general downward revision of the United States tariff alone.

Under this program, agreements have been entered into between the United States and 28 foreign countries. The first was with Cuba in 1937, and the last two were with Iran and Iceland in 1943. These agreements have varying initial terms of duration and are subject to termination on short notice in special circumstances.

The bulk of the foreign trade of the United States is carried on with the countries with which reciprocal trade agreements have been concluded. The United Kingdom and Canada are, respectively, the largest and the second largest customers for United States exports. Trade agreements have been concluded with all but five of the other American republics and more than 90 percent of the trade of the United States with other American republics is with the trade-agreement countries.

The trade-agreements program contributed substantially to the increase in United States foreign trade between its inauguration and the outbreak of the war in Europe in 1939. For example, during the 2-year period 1934–35, United States total foreign trade averaged $4,100,000,000 a year. In the 2-year period 1938–39, the average was $5,300,000,000.

In the 2-year period 1938–39 when 16 agreements were in effect, United States exports to the countries covered averaged 62.8 percent greater than in 1934–35 when only 1 agreement was in effect for a year or more. In 1938–39 our exports to all other countries were only 31.2 percent greater than in 1934–35. Our imports from the 16 agreement countries averaged 21.6 percent greater in 1938–39 than in 1934–35, but our imports from other countries averaged only 11.1 percent greater.

Improved trade relations and improved general relations have resulted from the trade-agreements program.

Five agreements became effective during the war—since 1939—as well as several supplementary agreements concluded. While wartime controls, scarcity of shipping, and military considerations dominate the nature and extent of our foreign trade at present, a considerable amount of trade continues to be influenced primarily by economic considerations. Economic cooperation must be the rule after the war.

Foreign-Trade Zones Board

The Foreign-Trade Zones Board was created by an Act of Congress in 1934. This Board was established to issue permits to public and private corporations for the privilege of operating and maintaining foreign-trade zones in ports of entry of the United States. Within the foreign-trade zone, which is a segregated, enclosed, and policed area, commodities are substantially free from the usual customs regulations, and a considerable degree of freedom is allowed in the handling of such goods within the zone. The zone provides facilities whereby imports may be landed, without the usual payment of customs duties, processed, repacked, and otherwise worked in a limited manner, and may then be entered for importation or transshipped to other destinations. Free trade zones have been an important part of the international commercial structure in Europe for a great many years, and it was hoped that the establishment of similar zones here would be a definite aid to foreign commerce.

Recent Important Acts

Among the recent important acts of Government to aid the foreign trader are the Merchant Marine Act of 1936 and the Civil Aeronautics Act of 1938.

The Merchant Marine Act of 1936 was to speed the building of a merchant marine which would be adequate for the needs of our foreign commerce and would aid in national defense. To stimulate private activity the act provided for the replacement of construction loans and indirect subsidies to private operators and shipbuilders by direct differential subsidies. It provided also for the establishment of the Maritime Commission which was to assist in the new expansion policy. The Commission adopted a long-range program for the construction of 500 vessels over a period of 10 years. Because of the war, of course, this program has been expanded to tremendous proportions.

The Civil Aeronautics Act of 1938 established a Civil Aeronautics Authority for the regulation and promotion of both domestic and international air transportation. Air transportation will be an entirely new aid to our foreign commerce after the war. Many years of commercial development in air transportation have been compressed into a few years of experience in carrying air cargo over international routes. We will undoubtedly be able to make use of this experience in exporting and importing after the war.

Although during the period subsequent to 1933, the Government had created more substantial aids to foreign trade than during any similar period in our history, the outbreak of the war in Europe terminated any further positive action to promote our trade. Emergency controls of foreign trade became necessary to prosecute the war. Although a measure of control was instituted during World War I, during the current war, for the first time, the Government put into effect complete control of imports and exports. Some of these controls have been relaxed, and the remaining ones will be discontinued as soon as the progress of the war permits.

Can Fund and Bank Help?

In July of last year, at the invitation of President Roosevelt, representatives of 44 nations participated in the United Nations Monetary and Financial Conference called to formulate definite pro-

posals for an International Monetary Fund and an International Bank for Reconstruction and Development.

Articles of agreement for the Fund and the Bank have been submitted by the Conference for consideration by the participating governments. No government will be bound by these articles of agreement until its legislature has approved them and until they have been signed officially on its behalf.

Purposes of the Fund are (1) to promote international monetary cooperation; (2) to facilitate the expansion and balanced growth of international trade; (3) to promote exchange stability; (4) to assist in the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign-exchange restrictions which hamper the growth of world trade; (5) to give confidence to members by making the Fund's resources available to them under adequate safeguards; (6) in accordance with above to shorten the duration and lessen the degree of disequilibrium in the international balances of payments of members.

Purposes of the Bank are (1) to assist in the reconstruction and development of territories of members by facilitating the investment of capital for productive purposes; (2) to promote private foreign investment by means of guaranties or participations in loans and other investments made by private investors; (3) to promote the long-range balanced growth of international trade by encouraging international investment for the development of the productive resources of members; (4) to arrange loans so that more useful and urgent projects, large and small alike, will be dealt with first; and (5) to conduct its operations with due regard to the effect of international investment on business conditions in the territories of members, and, in the immediate postwar years, to assist in bringing about a smooth transition from a wartime to a peacetime economy.

There is little doubt that both the Fund and the Bank, if created, will be of great benefit in the expansion of our postwar foreign trade, as well as of international trade in general.

Legislation authorizing the United States to become a member of the Fund and the Bank has been introduced in Congress and is under consideration.

Abundant Facilities and Aids

As we face after the war the problems of reconstruction of our foreign trade on a permanent peacetime basis, we shall have adequate facilities and resources provided by governmental institutions and other promotive assistance. As mentioned before, the Government has taken important and positive measures during the past decade to aid our foreign trade and to foster our trade relations with foreign countries on a mutually profitable and healthy basis.

Such facilities and aids, in existence and in prospect, are summarized as follows:

1. Trade Agreements Program (which is before Congress for extension).

Latin American Exchange Rates

NOTE.—Averages are based on actual selling rates for sight drafts on New York, in units of foreign currency, per dollar, with the following exception: Cuba—United States dollar to the peso. The peso of the Dominican Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to a dollar.

Country	Unit quoted	Type of exchange	Average rate			Latest available quotation		
			1943 (annual)	1944 (annual)	December 1944 (monthly)	Rate	Approximate equivalent in U. S. currency	Date
Argentina	Paper peso	Official A	3.73	3.73	3.73	3.73	$0.2681	Feb. 28, 1945
		Official B	4.23	4.23	4.23	4.23	.2364	Do.
		Bid	4.94	4.94	4.94	4.94	.2024	Do.
		Free market	4.06	4.03	4.04	4.02	.2488	Do.
Bolivia	Boliviano	Controlled	42.91	42.42	42.42	42.42	.0236	Do.
		Curb	45.42	51.80	61.00	60.75	.0165	Do.
Brazil	Cruzeiro [1]	Official	16.50	16.50	16.50	16.50	.0606	Feb. 5, 1945
		Free market	19.63	19.57	19.50	19.50	.0513	Do.
		Special free market	20.43	20.20	20.00	20.00	.0500	Do.
Chile	Peso	Special	19.37	19.37	19.37	19.37	.0516	Mar. 31, 1945
		Export draft	25.00	25.00	25.00	25.00	.0400	Do.
		Free market	32.37	31.85	31.83	31.70	.0315	Do.
		"D. P." [2]	31.00	31.00	31.00	31.00	.0323	Do.
Colombia	do	Commercial bank	1.75	1.75	1.75	1.746	.5727	Dec. 31, 1944
		Bank of Republic	1.76	1.76	1.76	1.755	.5698	Do.
		Curb	1.76	1.75	1.75	1.75	.5714	Do.
Costa Rica	Colon	Uncontrolled	5.65	5.66	5.66	5.67	.1764	Feb. 28, 1945
		Controlled	5.62	5.62	5.62	5.62	.1779	Do.
Cuba	Peso	Free	1.00	1.00	1.00	1.00	1.0000	Feb. 28, 1945
Ecuador	Sucre	Central Bank (official)	14.10	14.06	13.77	[5] 13.77	.0726	Mar. 22, 1945
Honduras	Lempira	Official	2.04	2.04	2.04	2.04	.4902	Mar. 31, 1945
Mexico	Peso	Free	4.85	4.85	4.85	4.85	.2062	Feb. 28, 1945
Nicaragua	Cordoba	Official	5.00	5.00	5.00	5.00	.2000	Apr. 14, 1945
		Curb	5.16	5.72	6.20	7.20	.1389	Do.
Paraguay	Paper peso	Official	[3] 333.00					
	Guarani [4]	do	3.10	3.11	3.12	3.12	.3205	Feb. 21, 1945
Peru	Sol	Free	6.50	6.50	6.50	6.50	.1538	Feb. 28, 1945
Salvador	Colon	do	2.50	2.50	2.50	2.50	.4000	Jan. 31, 1945
Uruguay	Peso	Controlled	1.90	1.90	1.90	1.90	.5263	Apr. 30, 1945
		Free	1.90	1.90	1.90	1.90	.5263	Do.
Venezuela	Bolivar	Controlled	3.35	3.35	3.35	3.35	.2985	Feb. 28, 1945
		Free [6]	3.35	3.35	3.35	3.35	.2985	Do.

[1] Under law of Oct. 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since Nov. 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.
[2] Disponibilidades proprias (private funds).
[3] Used until Nov. 7, when the paper peso was replaced by the guarani.
[4] New currency unit instituted as of Nov. 8, 1943. Paraguayan central bank establishes a "legal rate" from which buying and selling rates may vary by 1 percent. Since July 13, 1944, the legal rate has been fixed at 3.09 guaranies to the dollar, resulting in buying and selling rates of 3.059 and 3.121, respectively.
[5] A decree of Nov. 18, 1944, fixed basic central bank buying and selling rates at 13.40 and 13.50 sucres to the dollar respectively, but the imposition at the same time of a 2 percent charge on all exchange transactions has resulted in effective buying and selling rates of 13.132 and 13.77.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

2. Export-Import Bank.

3. The largest and best merchant marine in our history.

4. The world's largest fleet of cargo airplanes with trained crews, facilities, and experience for operating all over the world.

5. The prospective International Monetary Fund and International Bank for Reconstruction and Development.

6. The expressed policy of the United States for economic collaboration with the United Nations and the intention of this country, as recently expressed by the Secretary of State, to call in the near future an international trade conference to consider measures for expanding international trade, commodity agreements, reduction of trade barriers, and elimination of cartels and monopolies in international trade.

7. Foreign-trade promotion facilities of the Department of Commerce and the United States Foreign Service.

Strong Position Seen

It is evident that, with these resources and related governmental policies, this country will emerge from the present world conflict in a much better position to assume an import role in world commercial affairs, which should produce substantial benefits to all industrial, commercial, and agricultural regions of the country that participate in our foreign trade.

In appraising the present situation with respect to Government aids to foreign trade, it seems to me that governmental assistance may be classified in three groups: first, national policies, such as our willingness to collaborate with other nations to expand international trade as one of the measures that will increase employment, raise the standard of living in all countries, and contribute to international peace; second, facilities, such as the Trade Agreement Program, ocean and air transportation facilities, the Export-Import Bank, and, if Congress approves, our membership in the Monetary Fund and International Bank; and third, direct promotion of foreign trade through direct assistance to exporters and importers.

Of the three general types of governmental assistance to foreign trade, the

Announcements Under Reciprocal Trade Agreements Acts

Trade Agreement Calendar

Trade Agreements Signed

Country	Date signed	Date effective
Cuba	Aug. 24, 1934	Sept. 3, 1934
Belgium (and Luxemburg)	Feb. 27, 1935	May 1, 1935
Haiti	Mar. 28, 1935	June 3, 1935
Sweden	May 25, 1935	Aug. 5, 1935
Brazil	Feb. 2, 1935	Jan. 1, 1936
Canada (see revised agreement below)	Nov. 15, 1935	Do.
Kingdom of the Netherlands (Netherlands in Europe, Netherlands Indies, Surinam, and Curacao)	Dec. 20, 1935	Feb. 1, 1936
Switzerland	Jan. 9, 1936	Feb. 15, 1936
Honduras	Dec. 18, 1935	Mar. 2, 1936
Colombia	Sept. 13, 1935	May 20, 1936
Guatemala	Apr. 24, 1936	June 15, 1936
France and its colonies, dependencies, and protectorates other than Morocco	May 6, 1936	Do.
Nicaragua [1]	Mar. 11, 1936	Oct. 1, 1936
Finland	May 18, 1936	Nov. 2, 1936
El Salvador	Feb. 19, 1937	May 31, 1937
Costa Rica	Nov. 28, 1936	Aug. 2, 1937
Czechoslovakia [2]	Mar. 7, 1938	Apr. 16, 1938
Ecuador	Aug. 6, 1938	Oct. 23, 1938
United Kingdom, including Newfoundland and the British Colonial Empire	Nov. 17, 1938	Jan. 1, 1939
Canada (revision of agreement of 1935)	do	Do.
Turkey	Apr. 1, 1939	May 5, 1939
Venezuela	Nov. 6, 1939	Dec. 16, 1939
Cuba (supplementary agreement)	Dec. 18, 1939	Dec. 23, 1939
Canada (supplementary agreement) [3]	Dec. 30, 1939	Jan. 1, 1940
Canada (supplementary agreement)	Dec. 13, 1940	Dec. 20, 1940
Argentina	Oct. 14, 1941	Nov. 15, 1941
Cuba (supplementary agreement)	Dec. 23, 1941	Jan. 5, 1942
Peru	May 7, 1942	July 29, 1942
Uruguay	July 21, 1942	Jan. 1, 1943
Mexico	Dec. 23, 1942	Jan. 30, 1943
Iran	Apr. 8, 1943	June 28, 1944
Iceland	Aug. 27, 1943	Nov. 19, 1943

[1] The duty concessions and certain other provisions of this agreement ceased to be in force as of Mar. 10, 1938.
[2] The operation of this agreement was suspended as of Apr. 22, 1939.
[3] Superseded by supplementary agreement signed Dec. 13, 1940.

Summaries of the provisions of each individual agreement are published in FOREIGN COMMERCE WEEKLY promptly after signing. Complete files of the official analysis of each of the agreements, as well as the summaries published by this Department, are available for examination at all field offices of the Department of Commerce. Copies of such analyses or summaries for any particular agreement, figures for the United States trade with "Agreement Countries," and general information regarding the aims, procedure, and operation of the Reciprocal Trade Agreements Program may be obtained from the Trade Agreements Unit of the Bureau of Foreign and Domestic Commerce at Washington.

[A compilation of all changes in the import duties of the United States since the passage of the Tariff Act of 1930, including all duty reductions or bindings by the United States under the trade agreements signed to date, arranged by schedules and paragraphs of the Tariff Act has been prepared by the U. S. Tariff Commission in the form of a pamphlet. This is obtainable from the Superintendent of Documents, Washington 25, D. C., for 25 cents per copy.]

Countries With Which Intention To Negotiate Has Been Announced

Country	Date of issuance of notice	Latest date for submitting written statements	Date for oral presentation of views
Bolivia	Apr. 4, 1942	May 4, 1942	May 18, 1942
Paraguay	June 23, 1943	July 23, 1943	Aug. 4, 1943

[Detailed information, trade figures, and copies of the lists of products to which the United States announced it would give consideration for concessions, at the time of giving formal notice of intention to negotiate with each of the above countries, are available upon request to the Trade Agreements Unit, Bureau of Foreign and Domestic Commerce, or any of the field offices of the Department of Commerce, as well as from the Committee for Reciprocity Information or the Department of State.]

NOTE.—The above Trade Agreements Calendar will appear, for the present, in the issue nearest the middle of the month of FOREIGN COMMERCE WEEKLY, instead of each week as formerly.

Two cork factories are among new industries authorized in Spanish Morocco. Plants will be located at Xaunen and Der Xaui and will manufacture sheets of pressed cork, cork stoppers and disks, and other cork products.

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average exporter or importer is most concerned with direct services obtained from Government agencies. In this connection it seems desirable to outline here, somewhat briefly, the principal services available to foreign traders (both prospective exporters or importers and those already established) from the Department of Commerce. The foreign-trade promotion functions and activities of the Department, as previously mentioned, are centered in the Bureau of Foreign and Domestic Commerce. All persons interested in international commerce will find it advantageous to read "The Businessman's Bureau," a booklet describing the functions and activities of the Bureau.

Role of Major Agencies

As mentioned previously, the Bureau began sending out special agents to investigate foreign markets shortly after its founding in 1912. After World War I the Bureau created a small but highly efficient Foreign Commerce Service, with Commercial Attachés and Trade Commissioners assigned to posts in numerous foreign countries. In 1939, the President consolidated all foreign representation of various Government agencies within the United States Foreign Service of the Department of State. By provisions of law, the Foreign Service is the trade-promotion agency of this Government abroad, and the Secretary of Commerce directs through the Department of State the activities of the Foreign Service with respect to foreign-trade promotion. The Department of Commerce has 26 Regional and District Offices, located in principal cities, for maintaining direct contact with businessmen in their own communities. Thus, the foreign-trade promotive facilities of the Bureau consist of the central office in Washington, 26 domestic regional offices, and the services of the Foreign Service representatives located throughout the world.

As have all permanent agencies of Government, the Bureau has made and is making its contribution to winning the war. As final victory comes nearer every day, we must plan for and make as much progress as possible to meet our post-war responsibilities.

To Improve the Tools

With a view to gearing itself toward meeting foreign traders' post-war needs, the Bureau is first of all determined to improve the tools which our foreign traders must have at hand in order to carry on a sound and profitable export and import trade. Some of these tools are now in process of creation while others are being improved and enlarged. Those which had not been necessary during the war are being revived. We hope that in combination these tools will substantially help foreign traders to find solutions to most of their specific problems.

We may consider these tools under two general headings. First, there are those which are designed to establish and maintain mutually satisfactory relations between foreign traders in this country and businessmen abroad. Secondly, we have those which are designed primarily to meet the needs of marketing analysis.

Devices Varied and Dynamic

The devices which the Bureau has developed primarily for establishing satisfactory business relations, and which are being strengthened, are:

World Trade Directory reports on particular foreign firms, which make it possible for foreign traders to judge prospective trading connections;

Extensive classified trade lists giving a wide range of prospective customers and suppliers abroad;

Agency surveys, which are an aid to foreign traders seeking a specialized type of foreign connection;

Prevention or settlement of trade disputes;

Distribution of information on foreign commercial visitors to the United States and their introduction to exporters and importers;

Special aids to exporters or importers in connection with locating and reestablishing their previous connections in liberated areas; and

Informal working relations with representatives of foreign governments in this country in the interest of coordination of effort in the post-war era.

In providing foreign traders with basic and detailed data for better marketing, foreign-market analyses and schedules of economic and commercial reporting by the Foreign Service are very carefully prepared and instructions are issued to insure that marketing information is comprehensive and detailed. As such information is gathered and sent to the Bureau, it will be widely disseminated through Bureau publications, particularly FOREIGN COMMERCE WEEKLY, the Industrial Reference Service, and the

International Reference Service. The former Service is devoted to specific industrial developments abroad and the market prospects for particular United States products in foreign countries; the latter covers general economic, financial, and commercial information on foreign areas. By subscribing to these three services (or they can be secured separately) any exporter or importer can obtain a wealth of information useful in determining market prospects abroad and in planning his foreign business.

Broadening Endeavors

As the pressure of their wartime assignments eases the Foreign Service officers are devoting more and more attention to the preparation of market surveys in order to bring up to date our information on buying habits, tastes, purchasing power, extent of foreign industrialization, as well as other significant developments that have occurred during the war. As more time and manpower become available for this work, this important function will be broadened. The activity in this field is spearheaded by our commodity specialists who prepare appropriate questionnaires and who analyze the data after the forms are returned.

In order that the Bureau's services may be adequately performed, it is important that the entire organization—extending from the individual foreign posts, where our Foreign Service officers act as our eyes and ears, on through the State and Commerce Departments and through our field offices in every part of the country—should function efficiently and effectively. With a view to developing an adequate mechanism for all operations involved we have at all times had the full cooperation of the State Department and of all of its branches which deal with economic and commercial affairs. As a result, it is certain that the foreign trader can expect to receive from the Foreign Service of the United States, through the Department of Commerce and its field offices, a mass of valuable data concerning foreign markets and developments abroad which will permit intelligent post-war planning.

Challenge Meets Response

The goal of full employment after the war is a challenge which presents all of us with both an opportunity and a responsibility. Government and business have a joint responsibility to cooperate in doing this job. Business leaders of the South [like those of other sections] are meeting this responsibility, as evidenced by the first of a series of meetings, recently sponsored by the Southern States Industrial Council, to explore future foreign-trade opportunities for this area.

In meeting their responsibilities, traders have the right to expect adequate information and economic intelligence from the Government. We in the Department of Commerce, and particularly in the Bureau of Foreign and Domestic Commerce, recognize that here lie our opportunities for maximum public service.

It may be stated with assurance that the Government is fully conscious of its responsibilities to leave nothing undone that will remove any barriers to the widest possible healthy business expansion after the war. The Department of Commerce is prepared to do its full share of the job to be done by Government.

Contributors' Column

Robert P. Donogh (co-author "Making Swedish Pig Iron").—See FOREIGN COMMERCE WEEKLY of January 6, 1945.

Virginia Kinnard ("Britain's Handcrafts—Today and Tomorrow").—See FOREIGN COMMERCE WEEKLY of February 19, 1945.

H. B. McCoy ("Government Aids to Foreign Trade").—Born Rockport, Ind. Educated Indiana Central Normal College, Purdue University, and George Washington University. Graduate in engineering and economics. Military service World War I. Appointed Census Bureau April 1920, Internal Revenue 1921–28, and since 1928 in continuous service of Bureau of Foreign and Domestic Commerce. Has served as Assistant Chief and Chief of the Specialties Division (1935–40), Chief of the Durable Goods Unit, Special Assistant to the Director, and Assistant Chief of the Division of Industrial Economy. Since 1942, Chief of the Division of Industrial Economy. Has authored and directed the preparation of numerous Bureau publications on industrial subjects.

Donald B. Stough (co-author "Making Swedish Pig Iron").—See the January 6 issue of this magazine.

Britain's Handcrafts

(Continued from p. 7)

by artists working far from the craftsman's shop and lacking his close acquaintance with silver. Silver goods produced by hand retain the feeling of the old pieces, whereas machine-made products, although executed perfectly, have not always been designed in harmony with the material.

Craftsman's Skill Utilized

At this point the craftsman can make an important contribution. The models he has fashioned after hours of careful work in his own shop can be copied by the machine and will give to mass-produced goods an expression of personal taste and care. Many factories in Britain already have established units devoted entirely to handwork, where craftsmen develop designs and then reproduce them in their own way. This plan has worked successfully, because under it the worker does the thing to which he is accustomed, the thing he likes. After he is convinced that his design is both pleasing and practical, it is ready to start on its way through the process of machine reproduction.

Carpet and textile factories have made plans to utilize much more extensively the craftsman's skill and individuality of design. In the textile field the study of both British and foreign architecture and of styles abroad has resulted in more integrated and individual designs in hand-woven materials. When large-scale production is again possible, machine work will show the improvements already manifest in hand weaving. After testing new color combinations and new materials, as well as new patterns, on hand looms, those which are suitable can be retained, insuring original designs for reproduction in mills and carpet factories.

In the field of fashion, too, the individuality of hand work is appreciated. Materials designed by hand fabric printers are in demand by dress designers. The women working in this craft make wood blocks of their designs, prepare the colors, and then beat the pattern onto the fabric with mallets. They employ the same basic methods used by monks in the Middle Ages in making and binding fine books. High-grade English chintzes were made in this way until machine production was adopted. Now the process goes into reverse, and an old craft is revived to supplement and improve the work of the machine.

Furniture manufacturers also plan to use craftsmen. Just as the weavers will harmonize their designs with architecture in making drapery and upholstery fabrics, so will furniture makers practice the art of adaptation. Basic design will be more important than decoration, a characteristic of British craftsmanship.

The disappearance of rural craftsmen would bring a feeling of regret to many persons in England. Artisans have given character to village life for centuries; they have no modern counterpart. Their traditions, demanding perfect workmanship before considerations of time and money, are standards that many think worthy of preservation.

There is little danger, however, that the days of craftsmanship are over. Manufacturers are showing increasing interest in old crafts and allotting to them a definite place in their postwar plans. The trend toward combining the old and the new has just begun, but it is significant and will affect many lines of machine production in Britain.

Mobile Flour Mills for Liberated Countries

Mobile flour mills for liberated countries in Europe are being made by a well-known engineering firm in Manchester, England, reports the British press. The mills are designed to produce 16 hundredweight of whole-meal flour an hour and are being supplied with spare parts to last for a year of continuous work.

Use of semiskilled or even unskilled labor is claimed to be possible in the erection and operation of such a mill.

Late AIRGRAMS

(Continued from p. 15)

The Ministry of Government and Justice has appointed a legislative committee to draft a new labor code for presentation to and consideration by the National Assembly. In this connection, the Department of Labor was recently witness to an agreement signed by cigar manufacturers and their workers, which provides for a schedule of rates for piece work in the domestic production on cigars.

Other legislation under consideration includes one measure which would encourage the formation of agricultural cooperatives, and another one, sponsored by the Ministry of Economy and designed to stimulate the rapid industrialization of the country and the diversification of its economy, which would facilitate the investment of foreign and domestic capital and give adequate guaranties to protect such interests.

Still another measure before the Assembly would obligate landowners to cultivate or rent at low rates their tillable lands, and would require that the necessary banking facilities be provided to furnish working funds for such activities.

The Ministry of National Economy is planning the purchase and installation, as soon as supply conditions permit, of modern mechanical equipment in the Directorate General of Statistics.

The construction of a new hospital for infectious diseases is being considered for the city of Quezaltenango, and a national penitentiary to house 1,500 prisoners, built upon modern lines, is planned on a site in the Department of Guatemala.

There has been some reduction in employment on the main roads, in consequence of the shortage of trucking tires for public highway construction and upkeep.

Coffee of the 1944–45 crop year exported to April 21, 1945, totaled 406,582 bags (of 60 kilograms each), of which 369,496 bags were shipped to the United States. Stocks in ports awaiting shipment on that date totaled 88,556 bags.

Honduras

(From the U. S. Embassy, Tegucigalpa)

Abacá production continues almost up to expectations, despite serious drought conditions in the growing area. During March the production of dry abacá fibre amounted to 203,775 pounds. Output in April, however, is expected to fall to about 35,000 pounds per week owing to lack of rain, high temperatures, and prevailing high winds, coupled with the recent practice of harvesting immature stalks. The Honduran National Congress in March passed a law authorizing the payment of a subsidy of approximately $3 per acre, and allowing free-entry privileges on farm equipment, processing machinery, and the like, to farmers who undertake the production of abacá, henequen, and other agave fibers.

Harvest of the current coffee crop is in full swing, though exports are very small owing to the fact that the Honduran quota has already been filled from last year's stocks. The leading coffee exporter in southern Honduras has just completed a large modern coffee-washing plant in Tegucigalpa, which is expected to improve the quality and uniformity of the beans exported from that part of the country.

Coconut production fell off in March, but is expected to return to record-high levels. The demand in the United States continues to be large, and prices have risen to the all-time high of $67 to $70 per 1,000 nuts. Part of the increased price is believed to be absorbed in higher profits for the operators of the schooners which carry the coconuts from the Bay Islands to the United States. Although their costs have not increased, it appears that they, as well as the growers, have been able to take advantage of the present boom.

Surinam

(From the U. S. Consulate, Paramaribo)

No significant change in field-crop yields was noted in Surinam during the month of April. Discussions continued as to the availability and feasibility of use of agricultural machines for rice production. Negotiations also were under way during the month for the construction of a factory for producing edible and other oils from local seeds and fruits. The company involved, it is reported, is capitalized at 250,000 florins (approximately $130,000).

Shipments of bauxite ore continued to be curtailed because of the lack of cargo space. Gold-mining activity remained at a minimum during the month.

Brazilian and Argentine products, particularly wines and liquors, continued to dominate the import trade from other parts of Latin America. A shipment of rope and iron and steel tools arrived from Mexico in April for the first time. Although pounds sterling are more readily available than dollars, no trade trend from American back to British sources is yet evident.

No conclusion, it is believed, has been reached with the home government concerning the colonial budget for 1946. Restrictions on imports from the United States continued to be tightened in order to conserve the shrinking dollar balance. Curtailment of importations of such items as American films, soft drinks, and certain semiluxury goods was carried out during the month.

Employment slacked off in April owing to the completion of various government defense-works projects. No significant movement of workers from the towns to the plantations has taken place, however, to meet the demand for agricultural labor.

Eire's Emergency Scientific Research Bureau was scheduled to be discontinued March 31, says a European chemical journal. The Bureau was established to handle industrial problems resulting from wartime shortages.

News by COMMODITIES

(Continued from p. 40)

meet the request of the Canadian Government to plant 88,000 acres of tobacco, an increase of 20.4 percent over the 1944 acreage. Increased acreage is necessary because of greater consumption and shortage of stocks in Canada.

Production in Surinam

During 1944 the total area planted to tobacco in Surinam comprised about 20 acres. A few years ago the Government imported seeds of suitable types of tobacco for experimental purposes, but because of prevailing conditions of soil and climate, the results were unsatisfactory. No further attempts have been made to increase production, since marketing of the inferior-quality yields is difficult.

Domestic tobacco production varies from 200 to 300 kilograms of cured leaf per acre, the variation being due to climate and method of growing. Fertilizing is not practiced.

Domestically grown leaf accounts for only a small fraction of the total tobacco consumed in the territory. Cigarette and cigar manufacturers use limited quantities which are blended with imported tobacco for less expensive brands. Estimates indicate a substantial increase in cigarette consumption.

Cigarette production during 1944 numbered approximately 34,286,000 compared with 30,422,000 in 1943. Since the war began, cigars produced has increased by about 500,000 cigars annually. Cigarettes are manufactured by machine and are packed by hand, but the cigar industry uses hand labor entirely. At present, labor, machinery and supplies of leaf are sufficient to meet current needs.

Cuba's Economy in 1944

(Continued from p. 9)

was adequate to package Cuba's fruit and vegetable crops.

High levels of activity were maintained in the tanneries and shoe factories, bottle plants, soft-drink plants, breweries, cement plant, diamond cutting and polishing industry, and in tire recapping and manufacturing to meet both domestic and export demand. The tire-manufacturing plant reached a monthly production of 3,500 units by the end of the year.

The most important single development in the mining industry was the initiation of production of nickel oxide on a commercial scale in Oriente Province. United States stockholders of the only Cuban copper producer sold their interests to Cubans who now have complete ownership of the mines.

Petroleum products were under rationing during the year, and supplies of fuel oil are believed to have covered essential needs. The reduction in motor-

gasoline supplies from the 1941 figure was adequately compensated for by increased production of blended fuels. The number of consumers of electric current, as well as total consumption, increased generally during the year, but the principal power company was unable to meet the demand for additional service because of shortages of material and equipment.

Foreign Trade

Cuba's foreign trade, totaling $635,707,000 in 1944, exceeded the 1943 figure by $107,648,000, or by more than 20 percent. Imports valued at $208,648,000, the highest since 1929, exceeded the 1943 figure by 17.6 percent. Exports were valued at $427,058,296, an increase of 21.8 percent as compared with the 1943 total. Cuba's active trade balance was $218,410,000, an increase of 26 percent as compared with the 1943 balance of $173,186,000.

Of total imports, the United States supplied 80.9 percent valued at $168,840,864, an increase of 21.9 percent as compared with the 1943 figure. Imports from Europe, slightly below the 1943 level, were valued at $6,027,430; imports from Asia valued at $5,658,967 exceeded the 1943 value by 31.9 percent. Of total exports, the United States took 88.9 percent with a value of $379,974,712, an increase of about 28.5 percent as compared with the value in 1943. Exports to Europe were valued at $34,858,192, 6 percent less than in 1943.

Construction

The construction of residence and apartment buildings and public-works projects combined to maintain construction activity at a high level during the year. Public-works projects, particularly the construction of hospitals, were especially active during the early months of the year. Construction was aided by the availability of quantities of concrete reinforcing bars and other iron and steel products from the United States. Manufacture and importation of cement increased over the 1943 level. There was some shortage of essential construction items, however, particularly southern-pine lumber, builders' hardware, plumbing supplies, copper wire, and electrical supplies. A total of 1,734 building permits valued at $19,409,797 were issued in the metropolitan Habana area as compared with 1,552 permits valued at $12,649,000 issued in 1943.

Finance

Financial indexes give further evidence of the accelerated tempo of business activity in Cuba during 1944. Preliminary figures show revenue collections of 162,622,836 pesos, the highest on record, as compared with 128,564,612 pesos collected during 1943. Preliminary figures give total expenditures at 150,792,799 pesos. President Grau San Martin proposed a budget of 149,108,000 pesos for 1945, but Congress failed to approve it and it was necessary to extend the 1944 budget into 1945.

Cuba's monetary circulation increased from 316,132,490 dollars (pesos)[2] on December 31, 1943, to 484,372,516 dollars (pesos) on December 31, 1944, resulting largely from imports of United States currency as payment for sugar, molasses, and alcohol. Total deposits in local banks amounted to 384,397,480 pesos on December 31, 1944, as against 265,831,429 pesos on December 31, 1943. Habana bank clearings, totaling 1,280,630,000 pesos, were the highest in the records of the Habana Clearing House.

Outlook for 1945

Present indications are that the 1945 sugar crop will be considerably less than the 1944 production, but the price at which it will be sold to the United States Government exceeds the 1944 level. Although Cuba has made progress in industrial and agricultural diversification during recent years, sugar is still the backbone of the economy and the sale of the 1945 crop at a profitable price should insure a continuation of the rising trend of economic activity.

The value of tobacco exports may drop below the 1944 level but probably will exceed that of prewar years. With the possible exception of manganese, mining activities should be maintained at present levels. As a result of an increasing volume of idle funds, and proposed public works, an expansion of construction activities may be expected. Manufacturing industries are expected to continue to benefit from the increased purchasing power of the people, depending, of course, on the availability of raw materials. Demands by labor, for higher wages probably will be repeated because of continuing inflationary tendencies.

Granted a continuation of political stability and control of inflationary trends, the near-term economic outlook for Cuba is favorable. The long-term outlook is more uncertain. Reconversion of industry to peacetime operations will affect Cuba only indirectly, because Cuban industries have mainly continued prewar activities although on a larger scale. The chief problem will be that of readjustment to postwar economic forces, and the future of Cuba's economy will depend substantially on how this problem is met and solved.

[2] These figures include Cuban pesos and United States dollars which circulate at par, the United States dollars having unlimited legal tender value in Cuba.

Making Swedish Pig Iron

(Continued from p. 13)

By 1933 there were four furnaces of this type, of about 6,500 kilowatts, at the Domnarvet plant in Kopparberg Co. and four furnaces from 3,500 to 4,000 kilowatts at the Uddeholm Co.'s Hagfors plant in Värmland County. Uddeholm had five such units in use in 1939. Apparently other types of electric furnace are now of more interest to the Swedish industry. The two electric shaft furnaces at Porjus (Norrbotten County) are no longer serviceable, and it was found preferable to establish a Tysland-Hole pig-iron plant at Svartön (Luleå), rather than repair and restore them during the present war.

Other Electric Furnaces

Electric furnaces of various types, other than the shaft (Elektrometall), have been used for pig-iron production in Sweden, for many years. In 1917 there were seven such furnaces, two of fair size, the rest small experimental units. Output was 9,266 tons for the year. In 1939 there were only four electric furnaces (other than Elektrometall type) operating 522 days in all, and only 4,289 metric tons of pig was produced by them. Two of these furnaces were of the Tysland-Hole ("Spigerverk") type, of 6,500 kv.-a. and 12,000 kv.-a. capacity, respectively.

However, late in 1943, an important electric-furnace plant, the government-owned Norrbottens Järnverks AB. (situated on the island of Svartön, near Luleå, Baltic export point for Lapland ore) began operations. There are at present two Tysland-Hole furnace units. Ore is obtained from the Lapland fields and coke is used as a reducing agent, though charcoal could, no doubt, be easily substituted. The present capacity of the plant is about 60,000 metric tons per annum, it is believed, but an extension is being discussed. The product replaces foreign pig. The foundry grade finds a ready market, despite high price, but the open-hearth grade is not thus far of interest to central Swedish steel plants.

The Tysland-Hole is a closed three-phase arc type, using 3 Söderberg continuous electrodes, in line or placed in a triangle. The electrodes run comparatively deep into the bath and can operate with 175 volts between them, resulting in relatively high furnace temperature.

One of the inventors claims the following values for the Tysland-Hole furnace. Lump ore, briquets or sinter, as well as purple ore, can be used. Sulfur removal is good and sulfur content in the pig iron can easily be brought down to 0.03 percent. At Imatra (in Finland) maxima of 0.020 phosphorus and 0.010 sulfur can be reached.

Coke is the preferred reducing agent. Metallurgical coke, however, is not necessary, as gas coke has been found to be satisfactory. Charcoal also can be used. Lime ferrite has been found to be a better flux than limestone.

Current consumption per metric ton of pig, using coke, is from 2,400 to 2,600 kw.-hr. for steel furnace pig and up to 3,000 kw.-hr. for high silicon foundry pig. Electrode consumption is from 8 to 10 kilograms per ton. With charcoal, consumption of energy and electrodes is less. About 400 kilograms of the reducing agent is required per ton. Coke and coke breeze are usually employed in equal parts in Sweden, it is said.

About 650 cubic meters of gases are produced per ton of pig output. Hydrogen and carbon monoxide constitute about 80 percent of these gases but they

TABLE I.—*Furnaces producing pig iron (and direct castings)*

[Quantities are in metric tons]

Production data	Furnaces classed as blast furnaces										Other (electric) furnaces active	Total
	Ordinary blast furnaces, active				Electric "blast" (shaft) furnaces (Elektrometall) active			Total active	Inactive	Total		
	Charcoal	Coke	Mixed [1]	Total	Charcoal	Mixed [1]	Total					
1913:												
Number	104	6	1	111	6	0	6	117	31	148	0	
Days operated (average)				305	240	0	240	301	0	301	0	
Output per day (average)				20.64	22.19	0	22.19	20.73	0	20.73	0	
Total output	591,605	100,685	5,951	698,241	31,966	0	31,966	730,207	0	730,207	0	730,207
Production for export												186,246
1918:												
Number				112	[3]	0	11	123	23	146	6	
Days operated (average)				[2] 267	[3]	0	267	267	0	267		
Output per day (average)				[2] 22.69	[3]	0	22.69	22.69	0	22.69		
Total output	597,608	74,140	14,390	686,138	[3]	0	59,176	745,314	0	745,314	16,508	761,822
Production for export												192,687
1930:												
Number	47	3	0	50	4	[4] 3	7	57	51	108	1	
Days operated (average)	251	304	0	254	268	302	283	258	0	258	60	
Output per day (average)	23.20	105.89	0	29.29	31.79	60.55	44.99	31.26	0	31.26	56	
Total output	274,043	96,468	0	370,511	34,019	54,920	88,939	459,450	0	459,450	330	459,780
Production for export												51,972
1935:												
Number	38	4	0	42	5	[4] 1	6	48	42	90	4	
Days operated (average)	272	352	0	280	279	174	261	277	0	277	105	
Output per day (average)	27.46	162.20	0	43.62	31.36	61.82	34.74	42.57	0	42.57	8.14	
Total output	283,671	228,220	0	511,891	43,719	10,757	54,476	566,367	0	566,367	3,412	569,779
Production for export												54,430
1939:												
Number	38	[4] 8	0	44	[5] 6	[4] 1	7	51	24	75	4	
Days operated (average)	261	218	0	254	283	319	288	258	0	258	131	
Output per day (average)	32.24	145.26	0	49.93	37.28	60.13	40.89	48.54	0	48.54	8.22	
Total output	303,530	253,625	0	557,155	63,412	19,182	82,594	639,749	0	639,749	4,289	644,038
Production for export												103,864

[1] Charcoal and coke.
[2] Includes electric stack furnaces.
[3] Included in "ordinary blast furnace" totals.
[4] Also operated on charcoal at times.
[5] Of which one operated on coke breeze only.

Number of blast furnaces in operation: 1940, 52; 1941, 47.

TABLE II.—*Production of pig iron, ferro-alloys and sponge iron*

[In metric tons]

Item	1913		1918		1930		1935		1939	
	Total	For export	Total	For export	Total	For export	Total	For export	Total	For export
Pig iron grade:										
Forge (for wrought iron)	186,090		161,212	31,462	33,452	3,209	30,478	3,505	36,139	15,341
Bessemer, acid	141,641		23,452		21,324		34,427	1,747	20,027	1,693
Bessemer, basic			85,878	1,034	120,394		151,418		190,365	
Open hearth, acid	358,437		335,819	118,069	153,107	28,643	161,204	27,092	183,297	49,000
Open hearth, basic (Thomas)					55,818	472	88,914	4,736	97,180	7,419
Total for reduction	(686,168)		(606,361)	(150,865)	(384,095)	(32,324)	(466,441)	(38,080)	(527,008)	(73,453)
Foundry, for malleable castings	14,250		11,401	7,078	10,345	5,967	9,259	2,902	10,113	3,346
Foundry, other, hematite	15,891		130,348	35,017	56,084	13,681	85,135	13,448	43,166	8,895
Foundry, other, high phosphorous									52,532	18,170
Castings direct from blast furnace	13,898		13,712	27	9,256		8,944		11,219	
Pig iron, total	730,207	186,246	761,822	192,687	459,780	51,972	569,779	54,430	644,036	103,864
Ferro-alloys:										
Silicon							935	916	929	860
Ferrosilicon	9,863		10,705		17,603	15,277	14,930	11,582	15,686	10,382
Ferrosilicon-aluminum			394		215	215				
Ferrosilicon-aluminum-manganese	136		469							
Ferrosilicon-manganese	1,375		1,305		5,154	4,863	6,262	5,264	6,894	5,269
Ferromanganese			2,123		3,005	780	2,874	1,310	2,326	1,114
Spiegeleisen	50		733		939	917	239	172	681	280
Ferrochromium	760		258		9,714	7,707	16,004	12,080	18,954	13,649
Ferrotungsten							1,134	896	1,477	884
Ferromolybdenum							415	359	312	166
Ferrovanadium							24	24	98	40
Ferrocolumbium									6	
Ferrotitanium									1	
Sponge iron	6,074	1,631	6,100	1,996	14,874	2,026	8,816	3,350	20,226	6,553

have little or no part in the reduction process.

The pig-iron rating of the two earlier Tysland-Hole furnaces in Sweden is not known exactly. A 10,000 kw. (12,000 kv.-a.) furnace in Finland produced 90 to 100 metric tons per day the 6,000 kv.-a. unit at Oslo is understood to produce about 15,000 tons per year.

Installations of this type of furnace made before 1939 were:

		Kilovolt-ampere
Norway	"Spigerverk"	1 at 6,000
	"Bremanger"	1 at 9,000
Sweden		1 at 6,500
		1 at 12,000
Finland, "Imatra"		1 at 12,000
Japan (under construction)		2 at 7,500
Italy (planned)		several at 12,000

Grades of Pig Iron

The pig iron produced in Sweden is graded in a variety of ways, with some overlapping. The most general classifications, on the basis of reducing agent used, are: Charcoal pig iron, the higher grade, used for a variety of purposes, and coke pig iron, principally used in the production of commercial steel, but some of which is classed as a high-grade material. Another method of classification is based on the type of furnace used in reduction, as well as on the reducing agent employed. The various classifications

on this basis used in Swedish official statistics, and the relative importance of production of the various classes, is summarized, for selected years, in table I. Classification is also made, officially, on the basis of the use for which the pig is principally intended, and on whether it is for use in Sweden or is made for export. This grading is summarized in table II. Much charcoal pig can be used for several purposes, hence the classification does not necessarily indicate actual use.

Commercially, pig iron is offered in the present classifications, which for the most part follow the statistical classifications in a general way only:

Charcoal pig	*Coke pig*
Lancashire (wrought iron).	Malleable casting.
Bessemer.	Foundry.
Open-hearth.	Open-hearth.
Electro.	
Granular.	
Foundry.	
Malleable casting pig.	
Export.	

The pig iron which was produced at Åminne Bruk (Jönköping County) from high phosphorous limonite until about 1936 was a very high-grade charcoal foundry pig (of about 1.2 percent P). The quality was attributed to the relatively cold blast employed. Other manufacturers produce foundry pig in charcoal blast furnaces in Sweden, partly from low-phosphorus ores (for manufacture of malleable iron castings and for mixing). In some cases the natural manganese content of the ore contributes to the quality of the pig. Some makers claim advantages from a relatively low intensity of blast, as well as from the use of charcoal.

In the production of pig for processing to Walloon iron for blister steel used in the crucible steel process at the Österby plant (formerly Dannemora) only cold blast was employed until recent years (and may still be used). Production is very small, however.

During the war, when imports of coke and satisfactory coking coal have been insufficient to meet the needs of the industry, charcoal has of necessity been used in the production of pig intended for the manufacture of commercial grades of steel. The fuel cost was about doubled thereby.

Direct Reduction Processes

Sweden is now producing considerable iron by methods of direct reduction from ore. The principal examples of this are the sponge-iron processes, in which the iron is recovered in a spongy mass, of very low carbon content. This iron is particularly valuable in high-grade-steel production, as a substitute for pig iron and scrap, but it is expensive. Other direct processes, which are apparently in a more-or-less experimental stage, produce steel direct from ore.

Ferro-Alloys

Development of Sweden's hydroelectric resources and the low price of electric energy resulting has given rise to a ferro-alloy industry, which from its beginning produced a surplus for export. At first (from 1908) ferrosilicon was made, since domestic materials sufficed. The production of ferromanganese followed, for like reasons. Later, alloys requiring imported ores were made. The industry manifested a tendency to increase rapidly but was somewhat restrained by the blockade in 1915. Part of the plant was diverted to pig-iron production until the end of the war. Ferrochrome (essential to the ball-bearing industry) felt the effects of lack of imports particularly. Ferrosilicon production also fell off, but this probably was because of a lack of export markets. Ferromanganese output increased.

The blockade has affected the industry in a somewhat similar way during the present war. Several ferro-alloys have been in decidedly short supply. Considerable stocks of chrome ores seem to have been accumulated before the outbreak of hostilities, and minor quantities may have come from Norway during the war. Domestic sources of nickel, tungsten, and molybdenum have been exploited to the fullest possible extent. Some vanadium seems to have been recovered in Sweden from converter slags. It appears that the situation was, to a considerable extent, relieved by the development of rather new alloys using higher percentages of manganese, silicon, and other constituents available in the country, than had been the pre-war practice. "Kanthal," an iron-aluminum-cobalt-chromium alloy, was perfected, to replace nickel-chromium base resistance metals. There may have been a limited return to the use of high-carbon steels in place of alloys, as well, but this is not certain. The existing stocks of imported alloy metal were rigidly apportioned by the government.

Wartime Development

By utilizing idle blast furnaces and by some expansions, Sweden was able to greatly increase pig-iron production during the war, but at considerable increase in unit prices. In 1939 pig-iron production amounted to 644,038 metric tons (including 11,219 tons used for casting direct from the blast furnace). In addition, 47,364 tons of ferro-alloys and 20,226 tons of sponge iron were produced. The quantities intended for export were: Pig iron, 103,864 tons; ferro-alloys, 12,409 tons; and sponge iron, 6,553 tons. Imports of pig iron amounted to 196,412 tons, scrap 169,370 tons, and those of ferro-alloys to 11,203 tons.

The limited amount of scrap available in Sweden, and the diminishing imports of ferrous products made the increase of domestic pig production imperative. This production has been estimated as follows: 1941, 714,382 tons; 1942, 738,108 tons; 1943, 780,000 tons, and for 1944, 840,000 tons. (It is not definitely known whether these figures include castings direct from the blast furnace.)

Exports of pig iron fell from 118,412 metric tons in 1939 to about 25,000 tons in 1943, and pig-iron imports dropped from 196,412 tons to 64,000 tons; thus the decrease in net imports was nearly 40,000 tons. Scrap imports are known to have decreased greatly, and domestic scrap collections were resorted to in an attempt to supply the deficit, whereas sponge-iron production increased. Ferro-alloy production (dependent to a considerable degree on imported metals) fell off, but exports also decreased. Despite difficulties, the increase in domestic pig iron enabled the Swedish steel industry to increase output, with a consumption of about 765,000 tons of pig iron. In 1944 both imports and exports of pig iron fell drastically, but domestic pig production further increased, as previously stated.

The most serious problem now facing the Swedish pig producers, and consequently, the entire domestic iron and steel industry, is how to obtain adequate supplies of suitable coal and coke. When full-scale imports of liquid fuels are resumed, it is anticipated that charcoal will be in ample supply, since at present gas producers on automotive vehicles consume more charcoal than does the iron and steel industry. But the use of charcoal pig for making ordinary grades of steel, which has been resorted to during the war to a considerable extent, is an expensive process. The Domnarvet plant (with an annual output of more than 200,000 tons) which is the largest producer of ordinary or "commercial" grades of steel, uses imported coke. The Oxelösund plant, producing pig iron for sale (capacity probably over 100,000 tons per annum) coked a mixture of Durham and Westphalian coal before the war. Much trouble was experienced in attempts to use Silesian coal during the war. The question of fuel supply is therefore of vital interest to Sweden, at this time, when prospects of obtaining imports of steel for construction purposes are uncertain.

Wartime Cost Increases

Some interesting comparisons have been made between the increases in pig-iron prices in the United States and in Sweden during the war. These may be summarized (approximately) as follows:

Type of pig iron	Price per metric ton				
	July 1939		March 1944		
	Crowns	Dollars	Crowns	Dollars	Increase
					Pct.
In United States:					
Foundry	93.50	22.50	99.20	23.60	6
Open-hearth (basic)	84.00	20.20	97.00	23.10	15
In Sweden:					
Coke foundry	90.00	21.90	157.00	37.40	74
Charcoal	140.00	33.70	245.00	58.30	75
Coke (open hearth)	90.00	21.90	177.00	42.10	97
Charcoal	140.00	33.70	235.00	56.00	68

An examination of fuel prices in Sweden discloses the chief reason for the relative increase in prices of Swedish coke pig iron. An average c. i. f. quotation for large coal in Sweden in 1939 was about 22.75 crowns ($5.50) per metric ton, and in January 1944 the price had reached 49 crowns ($11.66) per ton, an increase of 115 percent. Large coke increased by 122 percent, or from 31.75 ($7.65) to 70.50 crowns ($16.80) in the same period. Cost increase was equal-

ized by a so-called clearing, by which steel companies using coke were able to purchase it at 40 crowns per metric ton.

In the case of Oxelösund coke pig iron, 60 percent of an increase in cost (from 90 to 167 crowns per metric ton) was attributed to the increase in cost of fuel. As prices for domestic charcoal also more than doubled, it is estimated that this increase was responsible for 90 percent of the increase in charcoal pig-iron prices.

The price in electric-furnace coke-reduced pig-iron, produced in northern Sweden since late 1943, at a rate of about 60,000 tons per year, is interesting, for comparative purposes. This is produced in foundry and in open-hearth grades, to replace imported pig iron. The foundry grade has been priced at 200 crowns ($47.50) per metric ton, but despite this price, and high freight costs to consumers, it has found a ready market. Oxelösund coke-foundry pig, which has considerable freight advantage, was lowered in price from 170 to 157 crowns early in 1944. The Norrbotten open-hearth grade, at 180 crowns per metric ton, did not rapidly arouse the interest of steel plants in central Sweden, and the price of Oxelösund coke open-hearth pig was increased from 170 to 177 crowns per metric ton early in 1944.

Southern Rhodesia's Nonferrous Metals

Gold production in Southern Rhodesia in the first 11 months of 1944 totaled 543,208 fine ounces, compared with 604,927 ounces in the corresponding period of 1943. The output of base minerals was valued at $3,156,848, compared with $3,057,687 in the first 11 months of 1943.

Southern Rhodesian deposits of chrome and asbestos are plentiful and of good quality, comparing with the best available in other parts of the world. Large stocks of both are reported at the mines awaiting transportation.

European Wool Consumption

The post-war pattern of wool consumption on the European continent is a matter of conjecture, since the extent of damage to mills in the various countries cannot now be appraised. It seems unlikely, however, that any other country has sustained as great damage as has Germany.

According to a foreign publication, the approximate annual pre-war wool consumption of several of the countries was as follows: Poland, 63,000,000 pounds; Czechoslovakia, 25,000,000 pounds; France, 400,000,000 pounds; Belgium, 120,000,000 pounds; Italy, 140,0000,000 pounds; Germany, 350,000,000 pounds.

Ecuador has nine soap and cosmetic manufacturing concerns, but their total production is small.

New Books and Reports

★The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to businessmen. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of interest to businessmen appearing in the Department of State Bulletin, April 29, 1945:

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for the price of 10 cents each; subscription price, $3.50 a year. The April 29 issue contains these articles:

JUNCTION OF ALLIED ARMIES IN GERMANY.

TRADE WITH FRANCE.

THE GERMAN IRON AND STEEL INDUSTRY IN RELATION TO FOREIGN TRADE. By S. D. Merlin.

RESUMPTION OF PRIVATE EXPORT TRADE TO FRENCH NORTH AFRICA AND FRENCH WEST AFRICA.

UNITED NATIONS CONFERENCE ON INTERNATIONAL ORGANIZATION.

SOVIET DENUNCIATION OF PACT WITH JAPAN.

AGRICULTURAL WORKERS. NEWFOUNDLAND.

VISA PROCEDURE FOR FRENCH AND UNITED STATES CITIZENS.

SIGNING OF INCOME-TAX AND ESTATE-TAX CONVENTIONS WITH THE UNITED KINGDOM.

COMMERCIAL AGREEMENT RENEWED. COLOMBIA-VENEZUELA.

REGULATION OF PRODUCTION AND MARKETING OF SUGAR.

ORGANIZATION OF THE AIR COORDINATING COMMITTEE.

Other Publications

DOUBLE TAXATION. Convention and Protocol between the United States of America and the French Republic, effective January 1, 1945. 1945. 25 pp. Price, 10 cents. For the avoidance of double taxation and for the establishment of rules of reciprocal administrative assistance in the case of income and other taxes.

Available from: Superintendent of Documents, Government Printing Office, Washington 25, D. C.

INTERNATIONAL RIVER AND CANAL TRANSPORT. Brig. Gen. Sir Osborne Mance. 1945. 115 pp. Price, $1. This study deals first with matters of regulation and administration that might affect waterways all over the world; then examines in some detail the general situation and specific problems of each continent; and finally makes some suggestions respecting (1) the future political control and technical development of waterways insofar as they concern international transport and (2) the commercial organization of waterway traffic.

Available from: Oxford University Press, 114 Fifth Avenue, New York 11, N. Y.

THE ARGENTINE REPUBLIC. Ysabel F. Rennie. 1945. 431 pp. Price, $4. A history of Argentina's modern period, tracing its current crisis to its origin, as seen by the author.

Available from: The MacMillan Co., 60 Fifth Avenue, New York 11, N. Y.

U. S. Export Control and Related Announcements

No. 618—*Current Export Bulletin No. 241, May 2, 1945*

The Foreign Economic Administration has issued the following Current Export Bulletins:

(Developments communicated to the Trade Controls Unit up to Monday, May 7, 1945)

CHANGES IN GENERAL LICENSES

The following changes in general licenses are effective May 7, 1945 unless otherwise noted:

Dept. of Commerce schedule B No.	Commodity	General license group		GLV value limits group K		CLV value limits group G+4		G-POST value limits	
		Old	New	Old	New	Old	New	Old	New
	OTHER EDIBLE ANIMAL PRODUCTS								
0099.00	Gelatin capsules, empty	None	None	250	100	25	25	25	25
0099.00	Rennet, liquid or powder and tablets, edible	None	None	250	100	25	25	1	[1] 25
0099.00	Other edible animal products, n. e. s. (except lecithin)	None	None	250	100	25	25	25	25
	LEATHER MANUFACTURES								
	Boots, shoes, and other footwear with leather uppers: Boots and shoes (include athletic and sporting):								
	Men's:								
0645.10	McKay sewed	None	None	25	None	25	None	1	None
0645.30	Welt	None	None	25	None	25	None	1	None
0645.40	Stitchdown	None	None	25	None	25	None	1	None
0645.90	Other	None	None	25	None	25	None	1	None
0646.00	Youths' and boys'	None	None	25	None	25	None	1	None
	Women's and misses':								
0647.10	McKay sewed	None	None	25	None	25	None	1	None
0647.30	Welt	None	None	25	None	25	None	1	None
0647.40	Stitchdown	None	None	25	None	25	None	1	None
0647.50	With cemented soles (Compo, argo, stickon, etc.)	None	None	25	None	25	None	1	None
0647.95	Other	None	None	25	None	25	None	1	None
0648.00	Infants' and children's	None	None	25	None	25	None	1	None
0650.00	Slippers and moccasins for housewear, all leather	None	None	25	None	25	None	25	None
	Boots, shoes, and other footwear, with uppers of materials except leather (include evening slippers, ballet slippers, house slippers of felt and artificial leather, beach sandals and other footwear with fabric uppers):								
0656.10	Leather soled	None	None	25	None	25	None	25	None
	FRUITS AND PREPARATIONS								
1302.00	Grapefruit [1]	K	K	1	100	1	[2] 25	1	25
1303.00	Lemons and limes [1]	K	K	1	100	1	[2] 25	1	25
1305.00	Oranges (include tangerines) [1]	K	K	1	100	1	[2] 25	1	25
1310.00	Apples in baskets [1]	K	K	1	100	1	[2] 25	1	25
1311.00	Apples in boxes [1]	K	K	1	100	1	[2] 25	1	25
1312.00	Apples in barrels [1]	K	K	1	100	1	[2] 25	1	25
	SPICES (INCLUDE NATURAL AND SYNTHETIC)								
1549.01	Capsicum (ground and unground) [1]	K	K	1	100	1	[2] 25	1	25
1549.98	Other spices, n. e. s. (except black pepper, ground; cumin seeds; ginger root; mace; nutmegs, ground; Tonka beans; cloves, cracked or ground; and white pepper, ground). [1]	K	K	1	100	1	[2] 25	1	25
	SUGAR AND RELATED PRODUCTS								
1639.00	Chewing gum [1]	None	None	10	25	10	[2] 25	25	25
	VEGETABLE OILS AND FATS, INEDIBLE								
2269.00	Spearmint and other mint oils, n. e. s. [1]	None	K	100	100	25	25	25	25
2279.03	Oil of citronella [1]	None	K	100	100	25	25	25	25
2279.05	Lemon grass oil [1]	None	K	100	100	25	25	25	25
2279.98	Other essential oils, natural, distilled or expressed, except neroli and petitgrain oil [1]	None	K	100	100	25	25	25	25
2280.00	Appleblossom oil [1]	None	K	100	100	25	25	25	25
2280.00	Honeysuckle oil [1]	None	K	100	100	25	25	25	25
	COTTON SEMIMANUFACTURES								
3009.00	Cotton roving	None	None	100	25	25	25	25	25
	COTTON MANUFACTURES								
	Tire fabrics:								
3021.00	Other tire fabrics (report cord tire fabric in 3020.00, and tire cord on cones and warps in 3017.00)	None	None	25	1	25	1	25	1
	Cotton duck:								
3023.00	Heavy filter cloth, hose and belting duck (report narrow duck under 12" and machinery belting in 3140.00)	None	None	25	1	25	1	1	1
3025.00	Ounce duck (include army duck)	None	None	25	1	25	1	1	1
3026.00	Numbered, biscuit and naught duck (include paper dryer)	None	None	25	1	25	1	1	1
	Cotton cloth (gray) medium and coarse yarn fabrics:								
	Not over 40 inches wide:								
3031.10	Drills, twills, and warp sateens	None	None	25	1	25	1	25	1
3031.20	Sheetings	None	None	25	1	25	1	25	1
	Over 40 inches wide:								
3033.10	Drills, twills, and warp sateens	None	None	25	1	25	1	25	1
3033.20	Sheetings	None	None	25	1	25	1	25	1
3034.00	Osnaburgs, all widths (report bleached in 3042.10, 3046.10; printed and dyed in 3042.20, 3043.00 and 3047.10 according to type and width)	None	None	25	1	25	1	25	1
	Printcloth yarn (gray) fabrics, all widths:								
3036.00	Tobacco and cheese cloth, 36 x 32 count and lower construction	None	None	25	1	25	1	25	1
3037.00	Other printcloth yarn fabric constructions (above 36 x 32 count)	None	None	25	1	25	1	25	1

[1] Effective date of change—immediately.
[2] GLV value limit for shipments to Argentina $1.
[3] GLV value limit for shipments to Argentina $10.

CHANGES IN GENERAL LICENSES—Continued

The following changes in general licenses are effective May 7, 1945 unless otherwise noted:

Dept. of Commerce schedule B No.	Commodity	General license group		GLV value limits group K		GLV value limits group G+4		G-POST value limits	
		Old	New	Old	New	Old	New	Old	New
	COTTON MANUFACTURES—continued								
3039.00	Gray cloth, n. e. s. (include unbleached (gray) cantons)	None	None	25	1	25	1	25	1
	Finished cloth, bleached, dyed, printed, stiffened or otherwise converted and colored yarn fabrics:								
	Not over 40 inches wide:								
	Drills, twills, and warp sateens:								
3040.00	Bleached	None	None	25	1	25	1	25	1
3041.10	Dyed in the piece (include khaki and bedford cord)	None	None	25	1	25	1	25	1
3041.20	Printed (include printed ticking (Stifel)	None	None	25	1	25	1	25	1
	Sheeting:								
3042.10	Bleached	None	None	25	1	25	1	25	1
3042.20	Dyed in the piece	None	None	25	1	25	1	25	1
3043.00	Printed (include cretonnes)	None	None	25	1	25	1	25	1
	Over 40 inches wide:								
3045.10	Drills, twills, and warp sateens	None	None	25	1	25	1	25	1
	Sheeting:								
3046.10	Bleached	None	None	25	1	25	1	25	1
3047.10	Dyed and printed (include wide cretonnes)	None	None	25	1	25	1	25	1
	Print cloth yarn fabrics (all widths):								
	Carded broadcloth:								
3048.00	Bleached	None	None	25	1	25	1	25	1
3049.10	Dyed in the piece	None	None	25	1	25	1	25	1
3049.20	Printed	None	None	25	1	25	1	25	1
3050.00	Cheesecloth and gauze bleached or dyed (full pieces) (report medicinal gauze in 3980.00)	None	None	25	1	25	1	25	1
	Printcloth:								
3051.10	Bleached	None	None	25	1	25	1	25	1
3052.10	Dyed in the piece	None	None	25	1	25	1	25	1
3052.20	Printed	None	None	25	1	25	1	25	1
	Napped fabrics:								
3055.10	Cotton flannels, bleached or colored	None	None	25	1	25	1	25	1
3055.90	Other napped fabrics in the piece (include moleskin, blanketing and padding)	None	None	25	1	25	1	25	1
	Colored yarn fabrics:								
3057.00	Denims (include express stripes)	None	None	25	1	25	1	25	1
3058.00	Suitings, twill-coverts, cottonades (include "Palmer" napped trousering)	None	None	25	1	25	1	25	1
3060.00	Chambrays, cheviots and shirtings (include plain weave covert)	None	None	25	1	25	1	25	1
3061.00	Colored yarn fabrics, n. e. s. (include seersucker and tickings, n. e. s.)	None	None	25	1	25	1	25	1
3062.00	Colored duck and awning materials (include bleached, dyed, stenciled, printed, proofed and printed duck, and woven awning stripes)	None	None	25	1	25	1	1	1
	Fine goods and combed cotton fabrics (bleached, dyed, printed, flock-dot or clipped):								
3067.00	Voiles, organdies, lawns and batiste, combed	None	None	25	1	25	1	25	1
3070.00	Piques, combed	None	None	25	1	25	1	25	1
3073.00	Marquisettes, combed	None	None	25	1	25	1	25	1
3074.00	Combed and carded goods, n. e. s. (include madras)	None	None	25	1	25	1	25	1
3076.00	Cotton and wool mixtures (cotton chief value 80–85% cotton by weight)	None	None	25	1	25	1	25	1
3079.00	Cotton and rayon mixtures (cotton chief value) (report cotton and silk mixtures in 3061.00, 3067.00–3074.00)	None	None	25	1	25	1	25	1
	Other cotton fabrics:								
3080.00	Knit fabric in the piece (include beef clothing)	None	None	25	1	25	1	25	1
3082.00	Table damask in the piece	None	None	25	1	25	1	25	1
3084.00	Tapestry and other upholstery and drapery materials, Jacquard and dobby woven (report plain woven in specific classes and pile fabrics in 3087.00 and 3088.00)	None	None	25	1	25	1	25	1
3087.00	Plushes	None	None	25	1	25	1	25	1
3088.00	Other pile fabrics (include velveteens, corduroys, and terry fabrics)	None	None	25	1	25	1	25	1
3089.50	Cotton remnants and fabrics, n. e. s. sold by the pound (include millends and short pirces of less than 10 yards) (report pieces of 10 yards or over in respective classes, rags in 3008.00, duck in 3023.00–3026.00, paperfelts in 3026.00 and laundry-padding in 3055.90 when sold in full pieces on the pound price basis)	None	None	25	1	25	1	25	1
	Cotton wearing apparel:								
3090.00	Handkerchiefs	None	None	25	1	25	1	25	1
	Gloves, cotton (woven or knit):								
3091.10	Work gloves, mitts, and gauntlets, fabric (include reinforced leather palm)	None	None	25	1	25	1	25	1
3091.20	Dress and all other (include children's mittens of cotton)	None	None	25	1	25	1	25	1
	Knit goods:								
	Hosiery:								
3093.00	Women's	None	None	25	1	25	1	1	1
3094.00	Children's	None	None	25	1	25	1	1	1
3095.00	Men's	None	None	25	1	25	1	1	1
	Underwear:								
3096.00	Men's and boys'	None	None	25	1	25	1	1	1
3097.00	Women's and children's	None	None	25	1	25	1	1	1
3098.00	Nightwear, knit, women's and children's (include balbriggan pajamas and Dentons)	None	None	25	1	25	1	1	1
	Outerwear, knit:								
3099.10	Men's and boys' sweaters, jersey pullovers and sweatshirts	None	None	25	1	25	1	1	1
3099.50	Women's and children's sweaters and shawls	None	None	25	1	25	1	1	1
3099.90	Knit apparel, n. e. s. (except men's) (include knit dresses) (report knit headwear in 3957.00)	None	None	25	1	25	1	1	1
	Garments of woven fabrics:								
3113.00	Men's and boys' jackets and windbreakers	None	None	25	1	25	1	25	1
3114.00	Overalls, breeches, pants, aprons, and men's work clothing, n. e. s. (include institutional uniforms) (report shirts in 3117.10)	None	None	25	1	25	1	25	1
3115.00	Nightwear, men's and boys'	None	None	25	1	25	1	25	1
3116.10	Underwear, men's and boys'	None	None	25	1	25	1	25	1
3117.10	Work shirts	None	None	25	1	25	1	25	1
3117.20	Other men's and boys' shirts (except knit)	None	None	25	1	25	1	25	1
3120.00	Men's and boys' clothing of woven fabrics, n. e. s.	None	None	25	1	25	1	25	1

CHANGES IN GENERAL LICENSES—Continued

The following changes in general licenses are effective May 7, 1945 unless otherwise noted:

Dept. of Commerce schedule B No.	Commodity	General license group		GLV value limits group K		GLV value limits group G+4		G-POST value limits	
		Old	New	Old	New	Old	New	Old	New
	COTTON MANUFACTURES—continued								
3122.00	Women's dresses and ensembles (include eyelet, velveteen and lace) (one, two, and three piece as one unit)	None	None	25	1	25	1	1	1
3124.00	Women's and children's underwear and nightwear, not knit (include diapers)	None	None	25	1	25	1	1	1
3127.00	Children's outerwear, not knit	None	None	25	1	25	1	25	1
3129.00	Women's apparel of woven fabrics, n. e. s. (include blouses, shirts, bathrobes, uniforms and washable apparel, n. e. s.)	None	None	25	1	25	1	25	1
	Bedding (report mattresses in 3970.00):								
3171.00	Blankets (report blanketing in the piece in 3055.90)	None	None	25	1	25	1	25	1
3173.00	Quilts, comfortables and quilted bedpads	None	None	25	1	25	1	25	1
	Bedspreads:								
3175.00	Candlewick, chenille and tufted	None	None	25	1	25	1	25	1
3176.00	Plain, crinkle, dobby and Jacquard-woven (include bedspreads and counterpanes)	None	None	25	1	25	1	25	1
3178.00	Bedsheets and pillow cases	None	None	25	1	25	1	25	1
3181.00	Curtains and draperies (include cotton shower bath curtains) (report lace curtains in 3185.00)	None	None	25	1	25	1	25	1
3187.00	Terry-woven towels, wash cloths, and bath mats	None	None	25	1	25	1	25	1
3188.00	Huck, damask and plain-woven towels and toweling (include dishcloths, leno-woven)	None	None	25	1	25	1	25	1
3189.00	House furnishings, n. e. s. (include napery, cotton floor coverings and furniture slip covers) (report terry-woven bath mats in 3187.00)	None	None	25	1	25	1	25	1
3199.00	Mop heads, cotton [1]	K	K	25	100	25	25	25	25
	IRON AND STEEL MANUFACTURES								
6190.00	Hand-sewing needles	K	None	100	1	25	1	25	1
6209.98	Soup spoons, tablespoons and teaspoons of stainless steel	K	None	100	25	25	25	25	25
	ALUMINUM AND MANUFACTURES								
6290.00	Bauxite and other aluminum ores	K	K	1	100	1	[2] 25	1	25
6295.00	Bauxite concentrates, including alumina	K	K	1	100	1	[2] 25	1	25
	CHEMICALS SPECIALTIES								
8299.70	Reagent chemicals for laboratory use:								
8299.70	Potassium pyrogallate, alkaline	K	None	100	1	25	1	25	1
8299.70	Sodium cobaltinitrite	K	None	100	1	25	1	25	1
8299.70	Other	K	None	100	1	25	1	25	1
	INDUSTRIAL CHEMICALS								
8398.48	Zinc naphthenate	K	None	*1	*1	*1	*1	*1	*1

[1] Effective date of change—immediately.
[2] GLV value limit for shipments to Argentina $1.
* An asterisk preceding a dollar value limitation indicates that all forms, conversions, and derivatives of the commodities, even though not covered by the Schedule B Number for the entry, are included.

Shipments of the above listed commodities removed from general license or having reduced GLV value limits which were on dock, on lighter, laden aboard the exporting carrier or in transit to ports of exit pursuant to actual orders for export prior to the effective date of change may be exported under the previous general license provisions. Shipments moving to a vessel subsequent to the effective date of change pursuant to ODT permits issued prior to such date may also be exported under the previous general license.

No. 619—*Current Export Bulletin No. 242, May 4, 1945*

I. Exportation of Penicillin

A. Effective immediately, exporters are advised that the Foreign Economic Administration will consider export license applications for shipments of penicillin, Schedule B No. 8135.98.

B. Since export allocations are made on a monthly basis, applications to export must be submitted prior to the fifth of the month. However, applications for the month of May 1945 may be submitted at any time prior to May 15. All applications for penicillin must show total quantity in terms of Oxford units.[1]

C. Each application submitted by an exporter who is not a producer of penicillin must be accompanied either by a copy of a definite commitment from a supplier agreeing to furnish the specific amount of penicillin if an export license is issued, or by a statement setting forth all pertinent information as to the efforts made to secure a supplier if the applicant has been unable to obtain a commitment.[1]

II. Exports to Argentina

A. The Foreign Economic Administration has been receiving many inquiries concerning exportations to Argentina. For that reason the Foreign Economic Administration now confirms that a Certificate of Necessity must still accompany all license applications covering exportation to Argentina of commodities in excess of $25.00 in value as heretofore; a Letter of Approval will be accepted in lieu of a Certificate of Necessity for maintenance, repair, and operating materials for the operation of meat packing plants which are used in connection with the fulfillment of contracts for the United Nations war effort.

B. Statements of Cargo Availability (form FEA 138) will continue to be necessary for shipment to Argentina of newsprint, regardless of the weight involved, and for other commodities weighing 2,240 pounds or more in accordance with the provisions set forth in Comprehensive Export Schedule No. 17, page 203, part 15.

III. Radio Transmitting Tubes—Schedule B No. 7076.12

A. Effective immediately, the Foreign Economic Administration will consider license applications to export for general resale purposes radio transmitting tubes (Schedule B No. 7076.12) having a factory list value of *less* than $50 each. In addition, it is no longer necessary to supply certain detailed information, formerly required, when submitting license applications to export to radio stations, for their own use only, radio transmitting tubes valued at less than $50 each.

B. Comprehensive Export Schedule No. 17, page 163, item 47, is revised therefore to read as follows:

1. License applications to export radio transmitting tubes (Schedule B No. 7076.12) having a factory list value of *less* than $50 each which are for general resale purposes may now be submitted. If the application is approved, a preference rating will be assigned in order to comply with the transfer of ownership provision in WPB Order L-265. Because of the continued short supply, however, licenses for the exportation of such tubes having a factory list value of $50 or more which are for general resale purposes will not be issued.

2. Exportation of radio type transmitting tubes to radio stations for their own use only will be authorized under individual or SP program licenses. Applicants for licenses to export this type of radio transmitting tubes to radio stations are required to submit a separate application to cover shipment to each individual station, *except* where radio transmitting tubes are included as part of a program covered by SP license applications. When such applications are approved, a preference rating will be assigned which will permit the tubes to be secured from producers.

3. To insure equitable distribution, exporters when submitting license applications covering radio transmitting tubes valued at $50 or more each for export to radio stations for their own use only must give full and com-

[1] The requirements contained in items B and C of subject I have been approved by the Bureau of the Budget, under date of May 1, 1945, and approval number BB 31-RO79, in accordance with Regulation A pursuant to the Federal Reports Act of 1942.

plete information in answers set forth in the license application. They are required to:[1]

(a) Indicate the call letters after the name of the radio station for which the tubes are intended.

(b) Specify the quantity and unit value of each type of tubes required when giving the description thereof.

(c) Under "End Use" specify the power of the station for which the tubes are intended.

When the purchaser is unable to furnish the information requested in (a), (b), and (c) above, a statement should be made on the application as to why this information cannot be furnished. Consideration of such applications will be given on the basis of their individual merit.

IV. (Special) License Procedure Covering MRO Materials and Construction Project Materials for the Foreign Petroleum Industry

The Foreign Economic Administration announces that, effective immediately, the submission of the Materials Requirements List is no longer necessary as a supporting document for SP (Special) license or amendment applications covering materials for Foreign Petroleum projects having a total materials cost of more than $25,000 for any one complete operation, since the War Production Board Form WPB–3649.1, Application for Authority to Acquire Materials for Foreign Petroleum Projects, contains the necessary information.

The use of form WPB–743–C, Interim Application for Assistance under Foreign Petroleum Industry Material Plan, has been discontinued, and the form WPB–743, Application for Assistance under Foreign Petroleum Industry Material Plan, is now used both for basic and for interim or supplementary applications.

Accordingly, instructions for filing SP (Special) license applications covering maintenance, repair, and operating materials and construction project materials for the Foreign Petroleum Industry appearing in Comprehensive Export Schedule No. 17, page 177, title B, are revised to read as follows:

FOREIGN PETROLEUM INDUSTRY

A. Projects having a total material cost of more than $25,000.—Form WPB–3649.1, Application for Authority to Acquire Materials for Foreign Petroleum Projects, should be submitted as a supporting document for SP (Special) license or amendment applications for foreign petroleum projects having a total material cost of more than $25,000 for any one complete operation. Applicants should note and follow carefully the instructions on the reverse side of page 1 of the form. Form WPB–3649.1 is used to request priorities assistance for materials required for construction operations (having a total material cost of more than $25,000 for any one complete operation) in connection with natural gasoline production, transportation, refining, marketing or for the following special production operations:

1. Gas cycling operations for condensate recovery;
2. Gas desulfurization operations;
3. Pressure maintenance operations; or
4. Any gas lift compression plant or field gas booster plant.

B. Maintenance, repair, and operating (MRO) materials and construction projects having a total material cost of $25,000 or less.—Form WPB–743, Application for Assistance under Foreign Petroleum Industry Material Plan, should be submitted as a supporting document for SP (Special) license or amendment applications for the Foreign Petroleum Industry covering maintenance, repair, and operating materials and for construction projects having a total material cost of $25,000 or less. Applicants should note and follow carefully the instructions on the reverse side of page 1 of the form. Form WPB–743 is used to request priorities assistance for materials required in all operations not covered by form WPB–3649, 1, i. e.,

1. All MRO materials;
2. All material for use in production, except for special production and natural gasoline production operations; and
3. All other construction operations, including special production and natural gasoline production operations, if the total material cost for any one complete operation is $25,000 or less.

C. Export authorization.—To obtain export authorization the applicant must specifically list on forms WPB–743 or WPB–3649.1 the following categories:

1. Controlled materials.
2. Commodities under total allocation (listing will be made available to holders of SP licenses by instructions released through the Petroleum Administration for War).
3. Other materials listed on Schedule 1 of WPB Priorities Regulation 9, as amended (applies to WPB–743 only).
4. Other materials which must be specifically listed under WPB instructions as to project requirements (applies to WPB–3649.1 only).

Commodities other than those set forth above in categories 1, 2, 3, or 4 need not be listed in detail on license applications but in broad categories with the total dollar value.

D. Filing of FEA 419 and amendments.—Applications for new SP licenses shall be submitted to the Foreign Economic Administration on Form FEA 419 in six copies. The original, when validated, will be forwarded to the applicant, accompanied by the original of the WPB–743 or WPB–3649.1.

In the case of amendments, form FEA 419 need not be submitted. The license will be amended by the Foreign Economic Administration by a letter entitled "License Authority to Export," containing the specific WPB–743 and/or WPB–3649.1 identification, the total value, and the SP license identification, accompanied by the approved original forms WPB–743 or WPB–3649.1.

E. Reports.—With respect to commodities, other than those set forth in categories 1 to 4 inclusive of item C, which are not listed in detail, the Foreign Economic Administration may require holders of SP licenses under this procedure to file monthly or other periodic reports of the quantities and types of goods exported within the total dollar limits established for such categories. The submission of such reports will be subject to the approval of the Bureau of the Budget under the Federal Reports Act of 1942.

F. Holders of SP licenses should not apply for individual licenses for materials, equipment, and supplies relating to approved projects or programs. Such individual license applications, if filed, will not be considered and will be returned without action. When placing orders, therefore, holders of SP licenses should instruct their suppliers not to apply for individual export licenses (form FEA 419).

V. Foreign Economic Administration Licensing Policy for Shipments to the Middle East Destinations

The Foreign Economic Administration has received a number of inquiries regarding the significance of import licenses in the licensing policy for proposed shipments to the Middle East destinations (Group M). This bulletin is being published so that all interested exporters will understand the treatment currently being given to export license applications with and without covering import licenses from the appropriate Middle East countries.

A. Shipments requiring approval by the Middle East Supply Center in Cairo.—Exporters must continue to give the import license number under question 5 of export license applications, form FEA 419, for proposed shipments of commodities listed in Comprehensive Export Schedule No. 17, pages 168–169, item 8, paragraph g. Since January 12, 1945, the Middle East Supply Center in Cairo has confined its review of proposed shipments for the Middle East destinations to import licenses for commodities on that list. The Foreign Economic Administration has agreed to issue export licenses for those commodities, supply position permitting, where the Middle East Supply Center has indicated approval and forwarded the pertinent import license number to the Foreign Economic Administration.

B. Shipments not requiring approval by the Middle East Supply Center in Cairo.—Exporters must continue to give the import license number or indicate "none" under question 5 of all export license applications, form FEA 419, for proposed shipments to the Middle East destinations of commodities which do *not* require approval of the Middle East Supply Center in Cairo. The Foreign Economic Administration is endeavoring to approve as many export license applications as possible for such commodities even though not supported by an import license, providing their shipment would not displace cargo for which the country of destination has indicated its need by issuing an import license. However, as long as shipping shortages continue, the Foreign Economic Administration will give preference to those export license applications supported by an import license.

Export license applications of excessive tonnages, considered in the light of the amount of shipping space which can safely be made available for nonimport licensed goods without jeopardizing the shipment of goods covered by import licenses, may be returned by the Foreign Economic Administration with notices that applications to ship specified reduced amounts may be given favorable consideration.

[1] The requirements contained in par. 3 have been approved by the Bureau of the Budget under date of April 27, 1945, and approval No. BB 31–R078.

Trade Lists

The Commercial Intelligence Unit has recently compiled the following trade lists of which mimeographed copies may be obtained by American firms from the Bureau of Foreign and Domestic Commerce. The price is $1 a list for each country.

Lumber, Importers, Agents, and Exporters—Guatemala and Nicaragua.

Machinery, Importers and Distributors—Nicaragua.

Old Clothing, Importers and Dealers—Egypt.

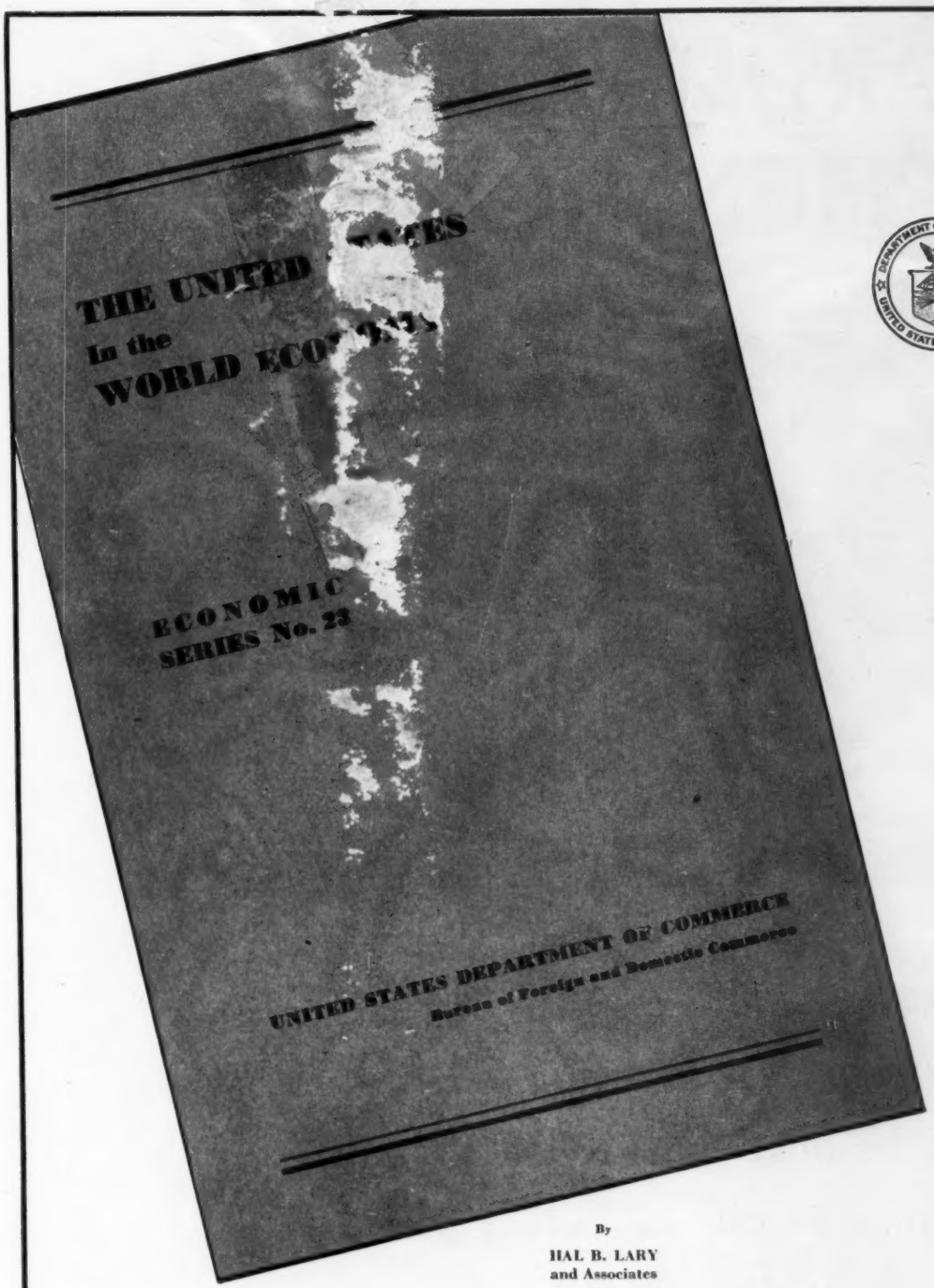
Radios and Radio Equipment, Manufacturers—Nicaragua and Uruguay.

Turkey's Rubber-Bearing Plants

A study of rubber-bearing plants was made during 1944 in western Anatolia, Turkey, in the regions of Dinar, Antalya, Burdur, and Isparta. It is reported that plants yielding 28.5 percent of a rubber-like substance have been found in abundance near Lake Tuzlu, close to Dinar.

Studies are being made to determine how long it takes the plants to mature and whether they are of sufficient economic importance to form the basis of a new industry in these regions.

Dressed furskins and manufacturers thereof imported into Eire during the month of January 1945 were valued at £26,144 as compared with £11,779 in the corresponding month of 1944.



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May 20-26, 1945

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